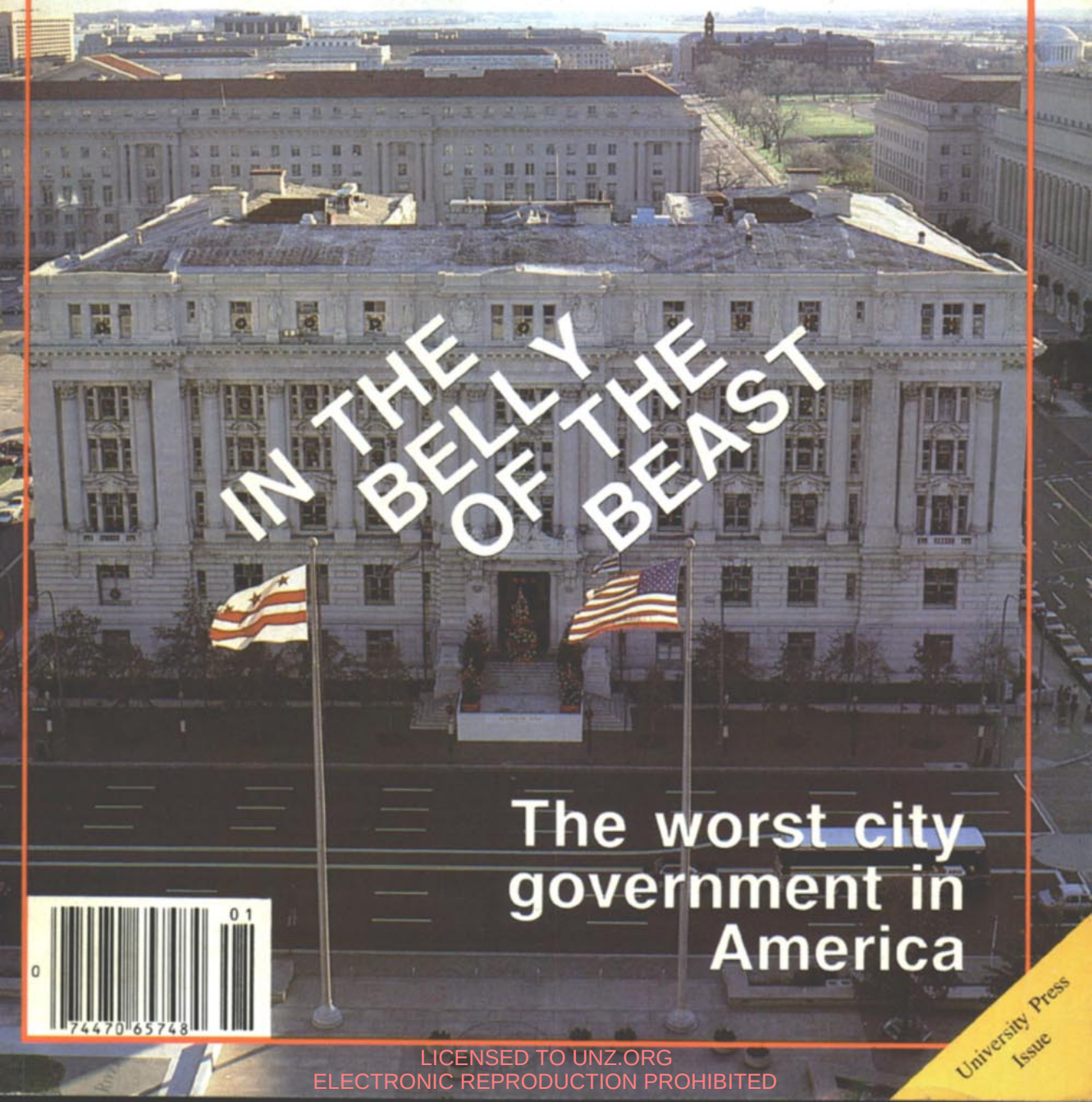
- Some *good* lessons from J. Edgar Hoover
- The computer caper the press didn't tell you
- Reviews by Philip M. Stern, Alan Murray, and George V. Higgins

The Washington Monthly

JANUARY 1989/$3.00



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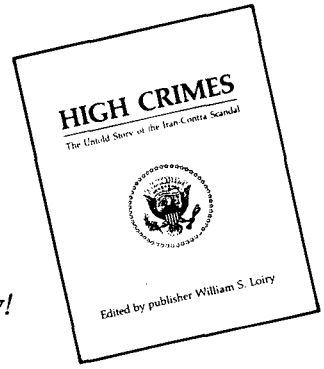

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LETTERS

Don't blame the client

A few issues back you solved all defense problems by proposing that no military officer be allowed to work for a defense contractor after retirement. Now you make a hero out of a top defense department civilian who sold out to a major defense contractor for $150,000 a year ["Don't Shoot Me, I'm Only the Raytheon Lobbyist," Lyle Crowley, November]. Gee willikers, what's the difference?

And as for this innocent wolf, Lawrence Korb, did he think he was joining a debate society when he signed on as Raytheon's head Washington lobbyist? Or might he have had some thought that, in addition to buying his access and contacts, Raytheon expected loyalty, intelligence, and some measure of sophistication in the cultivation of the company's major customer?

Opinions vary on the 600-ship Navy and 15 carrier battle groups. Korb had ample chance to oppose these plans while a Defense Department official. He did so and he lost, his position unsupported by his superiors, the administration, or Congress. Yet he did not resign over this policy dispute, but rather accepted a lucrative job offer. He has no standing for criticism. Korb's not a victim, he's a jerk.

JOHN L. BYRON
Arlington, Virginia

The 0.6 percent solution

While I am hardly crying over the situation of Hollywood writers, John Eisendrath ["The Making of the Hollywood Working Class," November] might better understand their complaint if he recognized that a 1.8 percent royalty results in 50, not 0.6, percent more revenue than a 1.2 percent royalty. The writers' reluctance to agree to the lower figure certainly was not "hairsplitting."

DIANE OBERG
Greenbelt, Maryland

School daze

Jason DeParle's article on his collegiate fraternity experience ["About Men," November] is extremely disturbing. The incidents he describes as a Delta Tau Delta pledge at Duke University from 1979 to 1980 detail some of the tragic aspects of fraternity life that so many of us hear. After reading the article, I can only say, thank God that was then, and this is now.

I decided to join Delts because I liked and respected the group, and, like Mr. DeParle, I wanted to find my "niche" among the roughly 6,000 undergraduates at Duke. Unlike Mr. DeParle, however, I have yet to experience the debilitating and confining aspects of fraternity life that he felt, and I certainly did not feel the negative, adversarial mind-set that dominated his pledging period. I have not felt "suffocated" or made to assume some "pose" because I am in a fraternity or, in particular, because I am a member of Delta Tau Delta. More importantly, I do not consider myself an exception to the rule here at Duke.

Some of the mindless antics that Mr. DeParle describes as "college revelry" are certainly still present today as they are on many college campuses, but the pervading sense of abuse and subjugation that he experienced during pledging has been removed. Also, the university has helped to expand the role of all fraternities on the Duke campus. Contact with a professor outside of class was previously considered a social *faux pas*. Fraternities at Duke now regularly schedule professors to speak within their common rooms on topics of their choice. Fraternities have also continued a strong commitment to philanthropic endeavors, especially those involving the Durham area, while maintaining a higher grade-point average than the campus as a whole.

Jason DeParle's article points out a number of worries that are still with us today, but I hope my positive experience nine years later in the exact same fraternity where he had such a negative experience, shows that fraternities can grow and mature.

PETER C. COOK
Durham, North Carolina
Mr. Cook is president of the Delta Tau Delta chapter at Duke University.

Since I am the past president referred to at least twice in "About Men," I would like to respond.

I am not disposed to challenge Mr. DeParle's description of his fraternity experience at Duke, which I think nauseates me rather more than it does him. But I do question his generalizing about the entire fraternity system from knowledge restricted to the Duke local scene. Would we like the quality of American journalism to be judged solely by Mr. DeParle's article?

There are two misstatements about the Greek system which I would like to correct. The citation of 151,000 members as an "all-time low" in 1973 is probably the low point of the post-World War II era.

Another misstatement concerns the Delt open motto, "Work for the Beautiful and the Good." It was never secret

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at any time—unless translating it into classical Greek, as the undergraduates did, is so considered.

I was amused by one sentence: "These Delta Tau Deltas [at Duke] are the kind that poobahs at the national headquarters point to with pride." Since I am a poobah myself, this is a matter on which I am far better informed than Mr. DeParle is. During my 20 poobah years the national headquarters never pointed to Duke with any particular pride, because the chapter never seemed to do anything creative or positive with its large membership.

True, a national office occasionally has to step in, close the house, and reorganize the group when members no longer know what the fraternity idea is, scoff at fraternity ideals, and behave in the way Mr. DeParle describes at Duke. We have done this in a number of cases when all else has failed. But Duke fraternities have no houses that we can close.

As a retired professor who dropped his subscriptions to most scholarly journals and now relies almost exclusively on the *Manchester Guardian Weekly* for a window on the outside world, I had thought *The Washington Monthly* might be worth taking. Alas, Mr. DeParle has destroyed that dream. A Dwight Macdonald he is not; merely a clone of Geraldo Rivera.

FREDERICK D. KERSHNER JR.
Indianapolis, Indiana

"About Men" should be required reading for anyone considering joining a fraternity or currently associated with one.

As a former member of Delta Tau Delta (Zeta Lambda Chapter, Western Illinois University), and who is proud of my association with many of its members, I must commend Jason DeParle for sharing his experience.

Although my experience with Delta Tau Delta does not compare with those shared by the author, I believe what he has written to be truthful in content. His essay will surely be met with charges of yellow journalism by many within the Greek system.

Rather than dismissing the essay as lies, the Greek system should use it to help address the real and ugly problems of drug abuse, date rape, hazing, racism, and anti-semitism that flourish within the Greek system when the mentality of bees is allowed to supercede individuality.

PATRICK S. BOTTERMAN
Arlington Heights, Illinois

DeParle gives us a ten-page account of humiliation and degradation which occasionally slips over into murder, but he says that that is not what is so bad about the fraternity system—"The real problem. . .was posing." He seems most bothered by the fact that the Delts didn't deliver what they promised—a happy community of brothers—and he seems unwilling to look at the implications of what they do deliver. In the ten days since I read his piece, I started with shock and progressed to fury—*how* could he present such evidence, and come to such an intellectualized cop-out of a conclusion?

The problem is that the fraternity system has become

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a school for terrorism. Smart, high status, white men—men some have called the "best and the brightest"—are systematically degraded. And then they are reshaped—as torturers. That process is exactly the same as the one real torture-trainers use.

The woman hatred, racism, and homophobia are only accessories to the real point, which is the humiliation not of these "others" but of the pledge himself. And the sure result of that humiliation: he learns to do as he has been done by.

The tormented has become a tormentor.

DeParle's conclusions, that the "real" problems are isolation and posing, are dangerous. They allow those who are closest to the problem, thoughtful professors and administrators, an intellectual out. "Oh, yes," they can tut-tut, "that's what's really wrong. Tsk. Tsk." And everyone can stand around and agree with this interesting and novel thought.

That's not what's wrong. What's wrong is that people are getting hurt in a system that teaches America's most privileged young men it's more than okay to hurt people.

AMANDA J. MACKAY SMITH
Durham, North Carolina

Pooped pilots

I appreciated Ed Sussman's article in the November issue of *The Washington Monthly* ['Hey, Lou, This Propeller Looks Pretty Sturdy to Me"] about the safety problems connected with commuter airlines.

As president of the Association of Flight Attendants, representing 23,000 flight attendants, I agree that the state of commuter airline safety needs immediate attention by the Federal Aviation Administration.

Because of deplorable working conditions, low pay, and long hours, the flight attendants on these airlines have realized that the only way that they will ever obtain acceptable working conditions and decent pay is by belonging to a union.

Sussman wrote about "pooped pilots and pooped planes." I would like to add flight attendants to the "pooped" category.

The FAA stipulates rest requirements for pilots but not for flight attendants. How would you feel getting on an airplane knowing that the flight attendant who is responsible for saving your life has been on duty in excess of 20 hours?

We have been forced to seek these rest requirements across the bargaining table, but flight attendants who are not represented by a union are left at the company's mercy. You can imagine what happens when a flight attendant's scheduled rest break is in conflict with the continuation of a full flight to a major city.

SUSAN BIANCHI-SAND
Washington, D.C.

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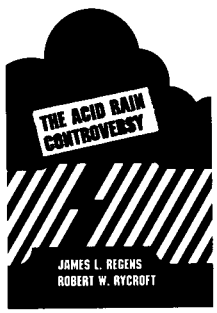

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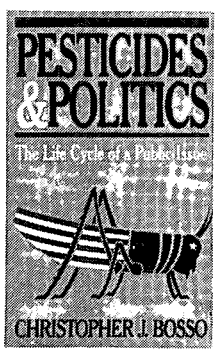

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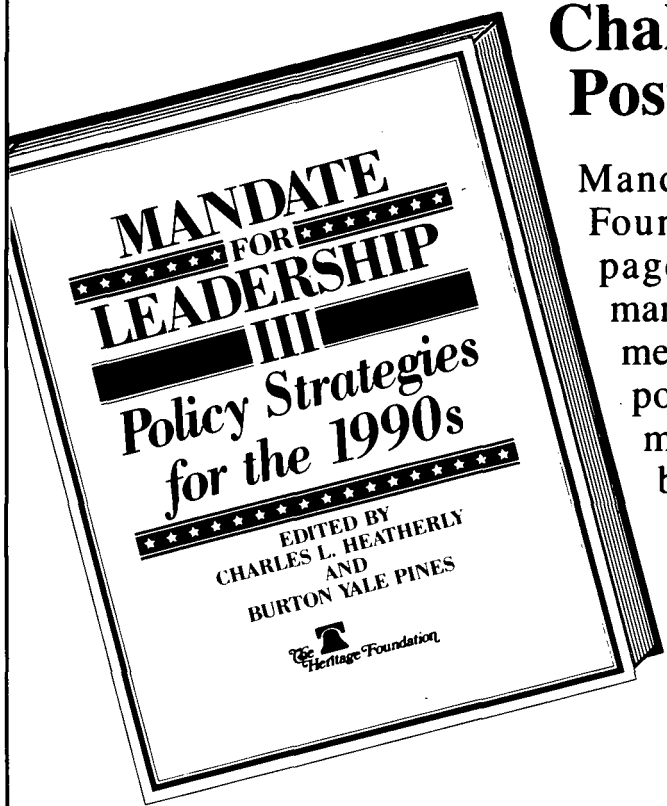

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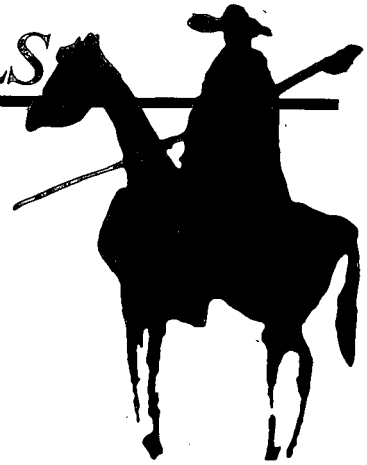
TILTING AT WINDMILLS



Jimmy Carter was ridiculed for his micro-management of the White House tennis court, but did you know about this memorandum dated February 9, 1971 from H.R. Haldeman to his deputy, Alexander Butterfield: "In seating at State Dinners, the President [Nixon] feels that Henry [Kissinger] should not always be put next to the most glamorous woman present."

On another occasion Nixon complained to Haldeman that a 1966 Bordeaux was being served too often at state dinners. But my favorite remains Haldeman's memo to the supervisor of the White House bowling alley: "The President wants to have Mrs. Nixon and Tricia fitted with balls."...

One clue as to why so many colleges and universities are charging astronomical sums for tuition and getting away with it is in the results of a recent survey of students by the Gallup Organization. Thirty-eight percent of the respondents agreed that "the higher the tuition cost of a college, the better the quality of education a student will receive."...

The recent scandals about prison furloughs produced a stupid reaction in Maryland and an intelligent one in Virginia. Maryland's Patuxent Institution canceled Thanksgiving leaves for all inmates, which was cruel, because some posed no danger to the community. Virginia, on the other hand, made a sensible distinction, halting furloughs only for prisoners who had been convicted of crimes of violence....

One of the greatest of the myths cherished by American conservatives is that this country has been over-regulated. The truth is that we need tougher regulation in everything from airline safety to pollution control to the savings and loan industry. But with a handful of anecdotes about a few stupid regulations, the conservatives have managed to persuade most of the country that regulation is bad.

They have also managed to convince the rest of the country that income redistribution is bad. But it's still good; it's still what our heroes, from Jesus Christ to Robin Hood to Franklin Roosevelt have taught us. So it is a scandal that the majority of liberals in Congress supported a maximum tax rate of only 28 percent. We should soak the rich. We did it in the forties and fifties and sixties and still had the strongest economy in the world. Instead we redistribute income from the poor to the rich, in a program that is supported by most liberal Democrats—Social Security. It gives too much in benefits to the elderly rich and takes too much in taxes from poor workers....

The Southbridge [Massachusetts] *News* has joined the handful of publications that refuse cigarette advertising. I congratulate its editor, Loren Ghiglione, and hope other editors and publishers will

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follow the example. How can they face themselves, and their children, knowing that they are letting their pages be used to encourage an addiction that kills? The moral repulsiveness of this behavior is worst in the case of the many publications that accept such advertising not as a matter of survival but merely as a way to increase the owners' already hefty bankrolls. . . .

Lifting the prohibition on work at home is one of the few Reagan administration accomplishments that I totally applaud. The sexual revolution has meant that in many cases both parents of infant children are away from home all day working, which isn't at all good for the child. The new policy will make it possible for more husbands and wives to work at least part-time at home and give their children the loving attention they need in the early years.

The unions fought this change. Why? They give two reasons. One is legitimate: a concern over working conditions. But that can be dealt with by a program of random inspection of home work sites that will keep employers who are tempted to exploit workers from doing so. The other union objection is the real rub: home workers are harder to organize. The unions are just like other large, aging organizations—more concerned with protecting their own interests than with advancing the public's. . . .

"East Coast Bias Colors the Media" was the headline on the first of three articles that David Shaw wrote in the *Los Angeles Times* on a disturbing truth about the press. Would, he asks, the "CBS Evening News" broadcast eight stories in 13 days about a Chicago subway vigilante? Would *Newsweek* have published five stories on a Tawana Brawley who lived in Ypsilanti, Michigan?. . .

My anxieties about knowing what's in and what's out have been soothed, for the time being at least, by an article in *The Palm Beach Post* by Thom Smith, who reports that this year's hot car will be the Bentley Muslanne Turbo R, which can be yours for a mere $140,000. For tailgate picnics at polo games, the Range Rover is just the right thing. The good news is that goat cheese is out. . . .

One of the crazier aspects of the Republicans' antiregulation hysteria has been that the OMB's managers have spent more time in the Reagan administration trying to thwart desirable regulations proposed by the EPA and other agencies than trying to bring efficiency and effectiveness to the government, which should be their primary goal.

The aspect of the deregulation craze that has seemed especially silly to me as a man who founded this small business 20 years ago and has struggled to keep it alive since, is the Republicans' conviction that overregulation is a big deterrent to the entrepreneur. Regulation has in fact been a very minor problem in the life of the *Monthly*. As Jeremy Schlosberg points out in this issue (page 25), raising money is the big problem, much, much bigger than anything else. So Republicans who want to help the entrepreneur should worry less about deregulation and more about finding ways to encourage capital to flow in his direction. Curiously, the only proposal I know of in recent years that was specifically aimed at helping the entrepreneur came from a Democrat, Gary Hart. . . .

How can you turn $210 into $250,000 without buying a lottery ticket or betting on horses? The secret, according to Christopher Ladd of *Legal Times*, is to apply for a radio station license that another applicant, who happens to be very rich, wants very badly. To avoid lengthy hearings and possible loss of the licenses, that applicant will pay you to drop your bid. That's just what happened in the case of a Washington, D.C. law student who filed for the license to operate a local station. The total capital raised by this entrepreneur, who had no broadcasting experience, was $1,000, of which $210 was her own contribution. For giving up this claim, she and her associates got $1.2 million, of which her share is $250,000. . . .

A few months ago, Columbia University proudly announced that it now expected to house 90 percent of of its undergraduates in dormitories. I'm sure some of my fellow alumni who lived off campus will share my lack of enthusiasm for this development. One of the great strengths of the Columbia of my day—the late forties—was the different worlds from which its students came to the campus each day. For me it was a roommate who worked in the theater and a landlady struggling to make ends meet for herself and her four sons in the workaday world of the city.

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For others, it was living with friends who were involved in everything from music to finance to painting and publishing. For the largest group, who could not afford the dorms, it was living with their parents in one of the variety of ethnic neighborhoods that made New York so alive and colorful. I suspect that the different perspectives that we brought to the classroom made a difference in the quality of discussion. . . .

With the recent great rise in the value of the yen and great decline in the value of the dollar, I simply couldn't believe this headline: "US Auto Prices Raised More Than Japanese Models." But the story that followed confirmed that Asian automakers had in fact raised their prices for the 1989 model year less than the average increase by General Motors, Ford, and Chrysler, at the very time the respective values of their currencies would have justified large price increases by the Japanese and none by us. So much for competitiveness. . . .

Over the years this magazine has advocated that nurses be liberated from their perpetual inferiority to doctors, who are often their inferiors in competence, and be allowed to perform any medical task if they can demonstrate an ability to do so. The most modest progress has been made, in the face of dedicated opposition by the great majority of physicians.

Now the nurses are doing the same thing the doctors have done to them—stomping on the fingers of those below them who are trying to reach for a higher rung on the ladder. They are fighting a proposal by the American Medical Association to train workers—to be called RCTs—in a short time to perform some of the simpler tasks that nurses do. This will help alleviate a serious shortage of nurses. But the nurses oppose it with language that is reminiscent of the kind the physicians use to repel nurses who want to advance: "We don't want someone inserted between the nurse and the patient." The nurses have every right to resent the physicians' defensiveness, but they shouldn't imitate it. . . .

One of the most honored techniques for self-advancement in government is to lobby for a higher position for the person whose job you want. Bush transition officials should therefore be wary of the politicians who urge this or that cabinet post for Congressman X or Senator Y, when the politician happens to be from the same state as the statesman whose appointment he is advocating. It is just possible that he is motivated less by devotion to the public interest than by his desire to replace Congressman X or Senator Y. . . .

Craig Allen Williams, a convicted felon awaiting sentence, was recently released, due to clerical or judicial error or a combination of both, and proceeded to gun down at least three men and a possible fourth victim. Trying to determine what had happened, reporters asked the presiding judge, Steffen W. Graae, of the District of Columbia Superior Court, to let them hear a tape that had been made of the proceedings. He refused. Why should a judge have the right to refuse such a request? Possibly if the case involved a child or a divorce, legitimate privacy issues might be involved. But neither of these exceptions applies here. The public has a right to know what is on that tape. . . .

Dan Quayle has told a young girl that he would not recommend she get an abortion if she were a victim of incest. He has also said that if his wife, Marilyn, were raped and became pregnant, he would advise her to carry the child. But they should not abandon all hope. If they rush to the hospital and get a D and C immediately, that's okay with Dan: "That is not anything to do with abortion."

Kent Jenkins Jr. of *The Washington Post* asked Dr. Joseph Collea, an obstetrician at Georgetown University Hospital, just what a D and C conducted after a rape was. The reply: "Yes, it's a type of abortion, obviously. . . . Fertilization has already occurred and you are trying to disturb the lining of the uterus so the fertilized egg can't implant itself." . . .

The shortage of tough regulation at the federal level is duplicated in the states. Tennessee is an example. *The Chattanooga Times* reports that "in nearly all cases" the state's regulatory board and commissions are controlled by members of the regulated groups or industries "who in many cases show little or no inclination to act against their colleagues." The state comptroller put it delicately when he observed in a report that there is "a lack of emphasis on enforcement on the boards." One doctor did

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get his license suspended, but only after complaints about his overprescription of narcotic drugs had been made for 11 years....

Why doesn't one of the great foundations establish a program of generous awards to people who create socially desirable products? Those who, say, figure out ways to reduce or reverse environmental damage should be honored with prestige—and plenty of money—as should those who discover harmless drugs that help the victims of tobacco, alcohol, cocaine, heroin, and other dangerous substances to overcome addiction....

Two clippings sent by readers recently arrived at our office in the same mail. One told of a commission that the American Bar Association has set up to look into the low state of the legal profession's image and to suggest a strategy for improving it. The other was an advertisement headlined "Ski Tahoe," which turned out to be promoting a tax-deductible seminar sponsored by the Oklahoma Trial Lawyers Association. It occurred to me that one excellent way for the lawyers to improve their image would be to stop making the rest of us pay for their vacations....

I was delighted that Mickey Kaus's letter in last month's issue showed, except for the difference I noted in my reply, that we were in substantial agreement on the subject of Vietnam protest and draft resistance, and I regret having given a contrary impression in October's "Tilting."

I do think, however, that his August and September *Newsweek* articles, on these matters and their relation to Dan Quayle, along with what the many other journalists of the Vietnam generation were writing and thinking in the weeks after the Republican convention, did have an unfortunate effect on the election.

The articles they wrote and the thoughts they were thinking in regard to their failure to fight in Vietnam were largely self-exculpatory: "I was right—or mostly right—to resist the war" or "I was right not to go." The unintended effect was, I suspect, to exculpate Dan Quayle. Certainly, by the last four weeks of the campaign, the initial firestorm of articles critical of Quayle had dwindled to close to zero.

My point is that, while many of his peers had legitimate reasons for not going to Vietnam, this was no reason to let Quayle off the hook on the larger issues of character and ability. The resulting shortage of major articles published in the final four weeks focusing on Dan Quayle's mental and moral qualifications, and on the judgment of the man who picked him to be vice president, will remain one of the great journalistic scandals of 1988....

Carl Hubbell died recently in Arizona. His passing was an occasion to recall the many outstanding feats of his long career as one of the great pitchers in the history of baseball. But it should also be an occasion to reflect on the way driver's licenses are dispensed. He died after his car went out of control and hit a metal pole. He was 85 years old. He had already suffered two strokes. Why was he permitted to drive a car? The reason is that most states, as long as you renew your license regularly, allow you to keep until you die, without any retesting of your driving skills, the one that you got with the alert reflexes of a teenager....

One reason political campaigns cost so much is that most of the media consultants who work for these candidates get a commission on the TV advertising time they buy for their clients. The more time they buy, the more they earn. Since their clients tend to be in a perpetual state of high anxiety, they are easily victimized by the consultant who advises them that more TV time is needed, which of course means more income for the consultant. One was able to buy a million-dollar home with his earnings from just a single senatorial campaign....

Wal-Mart, Compaq, and Merck are three of the best companies in America, but, points out James J. Cramer, the investment columnist for *Manhattan Lawyer*, in recent months their stocks have not been moving upward. Wall Street likes the takeover candidates better, even though they frequently are such candidates precisely because they aren't well-managed. So companies that are takeover bait will undergo sharp increases in their price on the stock exchange, while the good companies mark time....

Our Annual Passion for Justice Award goes to Judge Edith Jones of the United States Court of Appeals for the Fifth Circuit who rebuked a lawyer who had filed a last-minute motion to delay an execution, because it made her miss a birthday party....

—*Charles Peters*

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"Ma'am, What You Need Is a New, Improved Hoover"

Instead of wasting time catching Soviet spies, William Webster's FBI went after the real threat to our national security—peace groups and black and Hispanic agents

by Matthew Miller

It's a Friday in September, and FBI Director William S. Sessions is playing damage control again. This time he's responding to a federal court ruling in a discrimination suit brought by more than 300 of the bureau's 439 Hispanic agents. Sessions's highly rated predecessor, William Webster, swore in a pre-trial statement that he never noticed "any bias against giving. . .advancement opportunities to Hispanics." But Lucius D. Bunton, a U.S. district judge in Texas, sees it differently. The federal agency that is supposed to enforce the nation's civil rights laws, he says, is itself guilty of "systematic discrimination" and has a "bankrupt" grievance process to boot. Still, Sessions tries to be upbeat. Citing his new audits and analyses, he concludes, "It is time to move forward."

It's not hard to imagine why he'd like to. For much of his first year on the job, Sessions and his deputies have dashed from committee hearings to press conferences to courtrooms, trying to explain away a pattern of scandalous FBI conduct that was thought to have died with J. Edgar Hoover. William Webster's nine years as director earned him a Mr. Clean reputation (not to mention a job at the CIA, recently renewed). But a look at the record shows plenty of dirt under the nails. While the bureau as a whole was systematically harassing Hispanics, several agents undertook their own grotesque mission of abusing a black colleague. The bureau responded with taps on the tormentors' wrists, and that case too is now in the courts. Meanwhile, in a clear abuse of its surveillance authority, the FBI spent two years spying on groups opposed to the Reagan administration's Central American policy without finding a single misdeed. And even the nation's librarians are up in arms because the bureau wants them to tattle on foreign-looking researchers, arguing that they could be Soviet agents in disguise.

It's not as though the bureau had nothing better to do. The mid-eighties march of FBI folly coincides with the unprecedented Soviet theft of state secrets. Edward Lee Howard, the CIA turncoat, escaped to Moscow when a crack FBI surveillance squad didn't see him drive away. FBI agent Richard Miller, who had "wacky" written on him in neon, continued to enjoy access to classified information, which he passed along to his KGB lover. And navy man John Walker got away with 15 years of entrepreneurship that left the Soviets holding some of the nation's most cherished defense secrets. This included an improved capacity to track American submarines—potentially compromising the most important leg of our nuclear deterrent. And when Walker's wife finally squealed, it took the FBI another three months to decide to do something about it. As Michael Dukakis might say, the issue here isn't ideology, it's competence.

To be sure, Webster, and his predecessor, Clarence Kelley, did move the bureau forward. Under their

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leadership, the FBI seemed to get past Hoover's longtime fixation with pimply faced car thieves and bank robbers to make major inroads against tougher targets: organized crime, drug trafficking, and public corruption. Hoover had shied away from the mob and other tough cases (to the point of even denying that the Mafia existed) because they weren't as likely to produce the statistics he loved to trot before Congress. But the recent patterns of racial harassment and groundless spying make some critics think that, for all Webster's good press, Hoover's fingerprints linger.

"You start to feel," says Patricia Motto, attorney for a black agent now suing the bureau for discrimination, "like you're fencing with Hoover's ghost."

It's a tempting conclusion, but it's wrong. The days when liberals could conveniently trace all the FBI's bigotry and paranoia to the malevolent mind of "The Boss" are gone. And in a way that's too bad. At least then, you knew where to point the finger. These days, instead of swift action we get promises of new studies and future improvements. Ironically, it might take a dose of one of Hoover's best qualities, his dominating leadership, to rid the bureau of his worst ones.

For Mat Perez, the turning point came in 1984, at a meeting with top FBI officials in Washington. Perez, a special agent since 1963, had been one of the FBI's prominent minority success stories. He'd risen through the ranks to become special-agent-in-charge (SAC, in bureau lingo) of the San Juan office, before moving to the assistant special-agent-in-charge (ASAC) post in the much larger Los Angeles division in 1982.

Then the trouble started. Perez says his boss, Richard Bretzing, the Los Angeles SAC, treated him with contempt and denounced him to his face as a "special representative" of minorities. Perez was convinced that Bretzing was shutting him out of important management matters primarily because he was Hispanic. The Equal Employment Opportunity complaint he filed in late 1983, plus a subsequent one in 1984 charging that Bretzing had retaliated, led to a Washington meeting in the office of Edwin Sharp, the FBI's assistant director of administration. Perez says he offered suggestions for reforming the EEO process, but Sharp and others dismissed them out of hand. "They laughed at me," he says.

By the time Perez had wound his way through the administrative process without satisfaction, his campaign became a rallying point for virtually the entire Hispanic force. His discrimination suit was accompanied by dozens of sworn statements from Hispanic agents urging the court to let a class action go forward. When even more came forward in the next few months to buck the bureau's fierce fraternal code, Judge Bunton was persuaded.

The Hispanics' chief complaint is that they're invariably pulled off their regular cases and dispatched to monitor Spanish conversation wiretaps in drug cases—while their white colleagues who speak Spanish aren't. In bureau parlance, it's known as the "Taco Circuit." Forget that this means working 12-hour shifts in a cramped van for much of your career. Since this duty often takes agents out of town for up to three months at a time, their regular cases get reassigned. The result is that Hispanic agents don't get to "hold the ticket" on enough cases to rack up the arrests and develop the informants needed for promotion.

Part of the problem is that the FBI didn't begin to integrate until relatively recently. Hoover made no bones about wanting an All-American white force; until Robert Kennedy pressured Hoover to hire minorities, the only blacks were Hoover's personal servants, whom he christened "honorary" agents. Real progress took place under Webster, who made expanded recruitment a priority; more than 16 percent of the agents hired between 1978 and 1987 were minorities. This is a particularly admirable feat since the FBI, unlike local law enforcement agencies, requires a college degree, which minorities acquire at lower rates than whites. Still, Hispanics and blacks account today for just over 4 percent each of the bureau's 9,600 agents, well below their representation in the population and in other federal police groups, like the Drug Enforcement Administration, that also require college degrees.

Trying to change this culture means bumping up against an EEO process rife with built-in conflicts of interest. The first place to turn is to one of the agents in your office designated as an EEO counselor. These counselors usually have been selected by their SAC, who is, of course, their boss. When you then note that the SAC is likely to be fingered in any complaint, you begin to get a sense of why minorities view this procedure as something less than a pinnacle of due process.

There's more. Complaints, allegedly confidential, have a way of slipping out among chummy officers, leaving the aggrieved agents vulnerable to retaliation. And the procedure tends to amble along at the brisk clip of *Bleak House*'s *Jarndyce* v. *Jarndyce*. "They shelve it until you go away," says Mat Perez, whose own vindication has taken five years, "and meanwhile you've been labeled a malcontent and a troublemaker." When I asked Milt Ahlerich, the FBI's chief spokesman, for a single case in which the bureau's internal review found that discrimination had in fact occurred, he couldn't think of one. (This despite the preponderance of evidence that led

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William Webster's nine years as director earned him a Mr. Clean reputation (not to mention a job at the CIA). But a look at the record shows plenty of dirt under the nails.

Judge Bunton to his "systematic discrimination" ruling.) Ahlerich called back the next day to say he'd found a case after all, but, citing privacy concerns, he declined to give details.

A private business charged with discrimination by so many of its employees might think about making some changes. But the bureau's powers-that-be just dug in. In Miami, after an April luncheon to raise money for Hispanic legal fees produced some negative press for the bureau, William C. Wells, the SAC, called his Hispanic agents into a special meeting. According to agents present, Wells said, "When you carry these," holding aloft his bureau credentials, "you lose your First Amendment rights." Last February, Reps. Don Edwards, William Gray, and Esteban Torres met with Sessions and John Glover, an executive assistant director and the bureau's highest-ranking black. The legislators told Sessions that FBI office heads had screened the questions of minority agents during a recent field trip by Sessions. The director's high command, the congressmen insisted, was insulating him from the bureau's racial problems.

It's no wonder, then, that Bunton's ruling in late September caught the bureau so off guard. Bunton agreed with most of the Hispanics' complaints: that they were shunted to unwanted job assignments, discriminated against in promotion, and subjected to an unfair grievance procedure. Bunton will hold a separate hearing to determine penalties and remedies. The bureau hasn't announced if it will appeal. In December, Bunton ruled that agents had retaliated against Perez by misusing a federal grand jury to investigate him.

Donald Rochon, a black agent who joined the bureau in 1981, knows what racial harassment can mean. From 1983 to 1985, he endured nightmarish ordeals in the Omaha and Chicago field offices. A hearing by the Equal Employment Opportunity Commission found that fellow agents in Omaha had jammed Rochon's mail slot with pictures of a black man's bruised face, an African in native dress, and invitations to office parties with "don't come" scrawled over them. Knowing that Rochon was taking up scuba diving, Rochon's colleagues left a scuba-diver doll—its face and hands blackened by a marking pen—drowning in a container of water on his desk. Someone taped a cut-out photo of an ape's head over Rochon's son's face in a photo on his desk.

You'd think that such behavior might provoke a supervisor's ire, particularly in an agency charged with the enforcement of civil rights laws. But not at the FBI. Rochon spoke to the office EEO counselor and to the SAC but got no help. He then filed a formal EEO complaint with the bureau, but the FBI's investigation found no cause for action. Finally, Rochon went to the EEOC, which ruled in his favor four years after he first began protesting the torment. Rochon, now an agent in Philadelphia, has filed a follow-up civil rights suit, charging both the FBI and individual agents with harassment.

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At the EEOC hearing in 1986, Herbert H. Hawkins, the Omaha SAC, actually defended the racial harassment as "healthy," a sign of "camaraderie" and "esprit de corps." The hearing even found that Rochon's superiors had *punished* him when he began to complain. Have you ever encountered other racial discrimination? his boss asked. When Rochon said, yes, an Omaha real estate agent had declined to show him a house when the dealer learned he was black, his superiors wrote him up for failing to report a civil rights violation. An official censure was placed in his personnel file. The bureau's "demonstrated philosophy," concluded the administrative judge who ruled in Rochon's favor, is to "deny the problem and punish the complainer."

But Omaha was just a warm-up. Rochon urged the Omaha chief not to transfer him to Chicago, since his main antagonist in Omaha, agent Thomas Dillon, had been sent there not long before. But off to Chicago he went. Also waiting there was Dillon's buddy, agent Gary Miller, who later confessed to leading a campaign of "revenge" against Rochon for the charges he filed in Omaha. Miller told FBI investigators that he forged Rochon's signature on a death and dismemberment insurance policy and had it mailed to Rochon's home. A federal grand jury is now investigating Miller in connection with other aspects of Rochon's torment, including a series of obscene phone calls. An unsigned letter threatened a sexual assault on Rochon's wife, who is white. "You made yourself a nigger and shall pay the price," the letter concluded. "You are always in our

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Rats. Urine-soaked mattresses. Lice and scabies. Stopped-up toilets. That's what $1.2 million a year buys in two of the District's city-run shelters for the homeless. Cloherty's three-part series shows that private missions provide clean sheets, towels, and other sanitary facilities at about half the cost per person.

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sights and cannot escape."

As if the abuse of Rochon weren't bad enough, the FBI has compounded the scandal—or created a new one—by letting the culprits off the hook. The FBI punished Miller with what amounted to a "two-week paid vacation," says Rochon, referring to a suspension without pay that fellow agents made up through a collection. Meanwhile, the administrative judge ordered Dillon and the others who orchestrated the Omaha pranks to undergo "racial sensitivity training," as though it takes Leo Buscaglia to learn not to tape ape faces on photos of your colleague's son. None of the supervisors who knew what went on have been called to account.

One minority agent can think of someone who'd have handled it all differently. "Hoover," he says, even if prompted only by the need to protect the bureau's image, "would have fired them."

Not content simply to harass its own agents, the FBI has branched out in recent years to harass other innocents as well. The surveillance of the Committee in Solidarity with the People of El Salvador (CISPES) will grace FBI textbooks as a case study in the use of bogus informants to justify an investigation of unwarranted scope (see page 19). Frank Varelli, a Salvadoran expatriate, told the FBI that CISPES was illegally funneling money to the FDR and the FMLN, guerrilla groups seeking to oust the Duarte government. Varelli said that CISPES might even be plotting violent acts in the United States itself. As it turned out, almost everything he told the FBI besides his name proved to be wrong. But it took the bureau a few years to catch on to that fact.

It's not that questions shouldn't have been asked. The FBI knew that CISPES endorsed the guerrillas' objectives. Even Angela Sanbrano, CISPES's executive director, says the charges were worth pursuing. "Sure, they should have looked into it," she says. "Their job is to investigate leads."

So the FBI should have made a few phone calls to see if the charges seemed credible. Instead, the bureau was quickly applying Efrem Zimbalist Jr. techniques. Focusing on CISPES's Washington office and about a dozen key chapters, agents tailed CISPES members, took photos, and attended meetings undercover. They checked telephone, financial, and utility records, and picked through office trash. Then, having uncovered nothing even modestly suspicious, the FBI decided to balloon the investigation, inviting all 59 field offices to join the snooping. For the next 20 months, the probe subjected dozens of religious, labor, and community groups to surveillance, questioning, and infiltration. Since the suspected foreign connection meant the bureau could proceed under classified counterintelligence guidelines, the full extent of the FBI's permissible activity isn't known.

In the end, the investigation amounted to only five man-years of time (as opposed to 830 man-years in 1987 for fighting the mob). But if the scope wasn't quite Big Brother, there still seemed to be plenty of room to maneuver, as the spinoff investigations of nuns, union members, and college students suggest—none of which produced evidence of a single crime.

The bureau itself wasn't clear on what was considered out-of-bounds. An August 1984 memo from the Denver office to headquarters, for example, said that agents were "still not sure how much seemingly legitimate political activity can be monitored." No edification was forthcoming. Clarence Kelley, the FBI director from 1973-78, argues that the FBI likes to err on the side of thoroughness in such cases. "Maybe there's something there lurking that you haven't found," he says, "so you're careful and look into it a little longer." That's fine when the reason to suspect criminal activity is grounded in something solid. But the FBI's investigation was predicated on Varelli's baseless charges (as well as such things as John Birch reports and the writings of suspected death-squad leader Roberto D'Aubisson—scarcely credible sources). It wasn't until 1985, when a Justice Department review questioned the need for the investigation, that FBI officials called it to a halt.

The case finally blew up last winter when a New York lawyers' group obtained documents showing just how broad the investigation really had been. Sessions ordered an internal review and then laid low until it was done. In September, he called the CISPES probe "unnecessarily broad" and mismanaged, and issued a detailed admission of FBI fault, announcing reforms to ensure more control. "Splendid," was Rep. Edwards's view of the director's performance, and the major editorial pages agreed.

But legislators may have been so smitten by his candor that the magnitude of the problems slipped right by. One of the most disturbing (and largely ignored) parts of Sessions's report was the news that supervisors responsible for CISPES didn't know enough "to provide meaningful supervision" of the handling of informants. Sessions announced he's setting up a new unit in the intelligence division to make sure this is done right. A new unit? Handling informants in investigations is a central part of a crimefighter's job. What are those 9,000 FBI agents doing in the field if they can't handle informants?

In fact, though no one picked up on it, Sessions was on to something. Many FBI supervisors *do* get promoted without mastering what the rest of us

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In the old days the bumblers at least would have been exiled to "penal colonies" like Butte, Montana. Today's bureau saw no reason for disciplinary action.

might think of as the basics. Even while Hispanics get blocked off from one avenue of FBI promotion, a back channel has given a leg up to those whom street agents have dubbed "the clerks." Twenty percent of today's FBI agents began their careers as "support personnel," such as office aides and bookkeepers, mostly in the D.C. headquarters. Once they get their college degrees, the bureau frequently promotes them to agent and sends them out for a few years' field experience. With contacts back in headquarters (contacts the Hispanics don't seem to enjoy), a large percentage find their way into the bureau's Career Development Program and secure spots as supervisors. "A lot of people who've never been tested on the street go up the ladder," says Joe Yablonsky, a 31-year veteran who ran the Las Vegas and Cincinnati offices before retiring in 1983.

Sessions whistled on by telling Congress that top FBI officials "had no reasonable way to know" of any problems. (After all, we're only a bureau of investigation.) Can these "who me?" noises be coming from the same agency Hoover built? One thing's for certain: it's unlikely that the "discipline" Sessions imposed—which exonerated everyone but the lowest supervisors, and then gave them only a written reprimand plus a two-week suspension at best—can create any real appetite for change.

No tour of today's FBI is complete without a little gem called the "Library Awareness Program."

Here's the problem. The FBI has found that the Soviets and other Eastern-bloc intelligence agents sometimes use technical libraries, especially in New York, as recruiting sites for undercover agents, whom they may be able to place in jobs with access to classified information. In the meantime, these co-opted Americans, by doing even nonclassified research for their Soviet sponsors, may prevent the FBI from learning what technical information the Soviets want—a knowledge that's an important part of the cat-and-mouse of modern counterintelligence. The bureau's legitimate interest doesn't stop there. When a Soviet officially listed as, say, a cultural attache spends his day off researching space shuttle technology, it's a signal that the fellow may be an intelligence agent who ought to be watched. This is why the natural urge to say, "but this stuff isn't classified, so what's the big deal?" doesn't necessarily end the discussion. This is a point that many liberals can't seem to grasp, including the folks at *The Nation*, which has run several lopsided pieces on the issue.

Since the bureau has limited resources and can't post an undercover agent in every reading room, it seems logical to educate the staffs at the relevant libraries about these problems. Thus edified, they may then be able to notify the bureau if they become aware of...umm—well, if they become aware of what?

Therein lies the problem. When the bureau revived a long-dormant program of library visits in 1986-87, no one bothered to figure out what librarians should do. Librarians rightly rebelled when it seemed they were being turned into deputy G-men. It didn't help when FBI agents told some librarians to be on the lookout for people with funny accents or foreign-sounding names. (Under that standard, Zbigniew Brzezinski could be busted any day in the Columbia stacks.) It also didn't help that some agents chose to approach easily cowed clerks, flashing their badges and asking for records of borrowers, whose confidentiality is protected by law in 38 states.

While the reason for the FBI's decision to revive the program remains unclear, the agency's bureaucratic incentives may shed some light. Congress has dramatically increased the bureau's

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classified foreign counterintelligence budget in the last decade, but the FBI hasn't been able to spend the money fast enough. Unspent funds are anathema, of course, since they can serve as an invitation for future budget cuts. "That's put us in an awkward position. . . ," says Ahlerich. "We're always about a year behind what we've been given. These pressures come to bear in the field."

Say it's the year the tampered Tylenol case breaks, and the bureau unexpectedly has to redirect a ton of manpower to solve it. That means agents normally working the counterintelligence squad can't put in the spy-busting time for which they've been funded. Agents' slang for this phenomenon is that they're "underburning" counterintelligence hours. (Like lawyers and cab drivers, FBI agents must log exactly what they've done during every working moment.) As the end of the year approaches, explains Tom Sheer, a former chief of the New York office, a field supervisor reviewing his manpower records might say, "It looks like we're coming in skewed—is there any way we can bring it into balance?"

One way to bring it into balance might be to open up a dubious project like "library awareness," which can burn up some of those counterintelligence dollars. "If you're trying to open a case in an area where we're desperately trying to spend money," says Jack Ryan, an agent who was fired in 1987 after resisting an investigation in one such area, "the criteria won't get checked closely."

Is that what happened? The FBI won't say. And what it does say isn't very enlightening. Milt Ahlerich's summation of the program is typically helpful: "I still think it's appropriate," he says, "when handled appropriately."

Not everyone has minded the FBI spending its time stalking the stacks or nagging the nuns. Take Edward Lee Howard. Or Richard Miller. Or John Walker. While the FBI was busy training librarians in counterespionage, they and other real-life spies were robbing the country blind.

Mention Edward Lee Howard's name to anyone in the FBI's press office and the wince is audible. In the summer of 1985, a high-ranking Russian defector fingered Howard, a former CIA officer in Moscow, as an important KGB informant. Though the CIA's final assessment remains classified, sources told David Wise, author of *The Spy Who Got Away*, a study of the case, that Howard's betrayal was thorough. He blew the covers of CIA sources in Moscow and also divulged countless methods our spies use to get information. "He closed us down over there," one CIA insider told Wise. The blame for hiring Howard, and for ignoring plentiful warning signs once he was aboard, belongs to the CIA. But it fell to the FBI, which has authority over espionage cases, to move in and build the rest of the case. That's when things continued to go wrong.

The bureau needed more to go on than just the word of a defector for evidence that would stand up in court. They tapped Howard's phone and began a round-the-clock program of surveillance. After a month's watching turned up nothing, bureau officials decided to confront Howard directly, hoping to provoke a confession. They had nothing to lose—with the surveillance team in place, there was no way for a fearful Howard to flee.

Or so it seemed. After two days of interrogation, Howard told the FBI nothing it could use. But the intensity of the sessions convinced him to make a break. Late on the afternoon of September 21, 1985, Howard drove away from his home with his wife. They brought along a dummy in the back seat that would take Howard's place after he'd jumped from the moving car, Howard later told Wise. But this clever cover wasn't necessary. Incredibly, in broad daylight, the Howards drove away undetected. A rookie FBI lookout man simply didn't notice they'd left. Dozens of nearby agents waiting to be signaled never knew. Edward Lee Howard lives in Moscow today.

Will the FBI learn from its failures? Milt Ahlerich says that "disciplinary action" was taken against "more than one" agent, but he won't give details. Others, however, prefer to blame the gods. "Apparently he [the lookout man] was looking on a monitor," one FBI source told Wise, "[and] [t]here were problems with reflection and glare. The sun," he explained, "is very strong in the desert." The next time the FBI's straining to get rid of some of that counterintelligence cash, maybe it can invest in sunglasses.

Certainly someone must have been in the sun too long to have given agent Richard Miller access to classified information. After 20 years with the bureau, Miller had a personnel file filled with doubts about his job performance. His superiors had repeatedly admonished him to control his ballooning weight. And in 1982, a psychologist examined Miller and told the FBI that he was emotionally unstable and should be nurtured along in some harmless post until retirement.

After his arrest, a fuller portrait emerged in various news accounts: Miller occasionally took three-hour "lunches" at the 7-Elevens near his Los Angeles office, gorging himself on stolen candy bars while reading comic books. He cheated his own uncle by selling a muscle-relaxant device he'd patented. He skimmed cash from bureau coffers meant for one of his informants. Ever the entrepreneur, Miller even ran auto-registration checks and searched FBI

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criminal indexes for a local private investigator at $500 a pop. In early 1984, the Mormon church excommunicated Miller for adultery. By that time, Miller, who has eight children, was also deeply in debt.

Clearly the man was a natural for handling state secrets.

So what did FBI officials do? They gave him counterintelligence duty. While on the assignment in 1984, Miller was approached by Svetlana Ogorodnikov, a sexy Russian emigree who moonlighted for the KGB by seducing Americans in sensitive positions. Before long they were having an affair. Miller gave Svetlana and her husband a classified FBI document describing what kinds of intelligence information the U.S. seeks. In return, Miller wanted $65,000. Svetlana asked him to join her for a trip to Europe to confer with KGB higher-ups.

Things then unraveled quickly. Miller went to his superiors—having discovered, agents say, that the bureau had begun watching his activities—and explained what had transpired, claiming he'd been trying to infiltrate the local Soviet intelligence network. Given Miller's resume, this ambition sounded a little far-fetched. His boss, Richard Bretzing (that's right—Mat Perez's foe from the Hispanic lawsuit), now led Miller's interrogation. Days later Miller confessed to being the first FBI agent to betray his country. Today he's serving two life sentences plus 50 years in a federal prison in Minnesota.

As usual, the FBI cracked down hard on those who had allowed the screw-up to occur. A review found nothing to be faulted.

At least Miller's treason gave away nothing vital. By contrast, John Walker's disclosure of information that helped the Soviets track American submarines had the potential to inch the world closer to nuclear disaster.

Walker had spent 15 years helping the Soviets understand how the U.S. locates Soviet submarines while keeping our own hidden from view. According to Pete Earley, author of *Family of Spies*, a study of the Walker affair, the damage went beyond the specific information the Walkers turned over on military communications, battle plans, and submarine deployment. By giving the Russians the tools they needed to decode our cryptographed messages, the Soviets for nearly two decades virtually had "an ear in the Pentagon," says Earley. "If you could read someone's mail for 20 years," he says, "you'd have a pretty good idea of how they operate."

By October 1984, Barbara Walker finally decided to squeal on her ex-husband's activities. She went to Walter Price, an FBI agent in Hyannis, Massachusetts, and described in detail some of Walker's drop techniques. Walker and the Russians had mastered an elaborate communications scheme that involved, among other things, placing 7-Up cans in prearranged spots. An Uncola by a stop sign might mean the coast is clear; no pop, no drop. Barbara Walker's mastery of the fine points, as it turned out, was impressive.

But not to Walter Price. The Hyannis sleuth didn't believe her. Barbara Walker drank a lot. She seemed bitter and vengeful toward her ex-husband, who now lived with a woman half her age. And besides, she hadn't lived with him for ten years. But what about that leave-no-rock-unturned philosophy that had sent the CISPES investigation spinning out of control? Apparently the charges of selling America's nuclear secrets weren't sufficiently serious to hold the Hyannis agent's attention. He wrote a report recommending the matter be dropped.

And there things stood for another three months until a Boston agent stumbled across the file during a routine review and recognized Barbara Walker's charges as the real thing. He forwarded copies down to headquarters and to the office in Norfolk, Virginia, where John Walker now lived. The bureau tapped Walker's phones and got the tip they needed six weeks later when Walker gave several friends different details about an upcoming "business trip." Tailing him that day to an affluent Maryland suburb, they busted Walker after he left military documents at a drop site. Within days, Walker's son, brother, and friend, Jerry Whitworth, had been nabbed.

The FBI's failures to bag even the easy spies ("My husband's a spy." "Sure, lady.") is especially troubling since our espionage threats have never been tougher to combat. The old-time ideological traitor is an all-but-vanished species; today's turncoat wants money, not martyrdom. That means almost anyone might be a potential traitor. More than two million federal employees have access to classified information, as do another million or so private contractors. That's an awful lot of potential greed to keep tabs on, particularly for an agency with the sun in its eyes. With computer advances, the kind of information John Walker spent 15 years compiling might be gathered in a week. It's a picture of spiraling vulnerability.

As a democratic society, we'll never be in a perfect position to detect all spies. And no one's suggesting that the FBI can do it alone. But what did the bureau do to the Hyannis agent who would have let the Walkers get away? In the old days, heads would have rolled. Or the bumblers at least would have been exiled to bureau "penal colonies" like Butte, Montana. But today's bureau saw no reason for even an inquiry, never mind disciplinary action. J. Edgar Hoover must have one pissed-off ghost. □

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And Why They Let Anyone Be An Informant

by Steven Burkholder

You're young and energetic. You like to write. But your politics put you in deep right field. What do you do? Get your ideas disseminated through the FBI's clip service.

Lost in the media backwash over the FBI's stakeout of the Committee in Solidarity with the People of El Salvador (CISPES) were several incidents showing bureau officials ready and willing to photocopy and pass along unsolicited right-wing manuscripts. That willingness to lend the FBI's imprimatur to unverified allegations probably didn't prompt any agent to go overboard. But when the FBI winks at even a little entrepreneurial spying, there may be cause for worry.

Take Michael Boos, former program director of an outfit called Young America's Foundation. He's young, smart, and apparently likes life in the covert lane. Boos slipped into a meeting of the Washington, D.C. chapter of CISPES in June 1984 looking for proof of terroristic criminal activity. He thought he found some. Boos wrote up his findings in a three-page article intended for *The American Sentinel*, a journal that once did business under the name *The Pink Sheet on the American Left*. He also sent a copy of his draft to Edward J. O'Malley, then the FBI's assistant director of intelligence.

Headlined "Group in Nation's Capital to Aid Left-Wing Terrorists," but printed without a byline for Boos, the piece made some strong charges. Boos wrote that documents he'd obtained revealed that CISPES would be raising funds "to provide direct military assistance to the Soviet-supported Marxist terrorists seeking to overthrow the recently elected government of El Salvador." In particular, he claimed that a shoe factory in El Salvador, slated for CISPES support, would be making combat boots for guerrillas. That was "only one possible conclusion" he drew from the meeting. William Sessions, in testimony this fall, disagreed, admitting that the bureau's suspicions about CISPES proved unfounded.

But that was later. At the time, officials at FBI headquarters believed Boos's allegations merited being stamped "secret" and circulated to 33 field offices, according to a bureau memo that was released to CISPES and the New York-based Center for Constitutional Rights under the Freedom of Information Act.

Oliver B. Revell, one of Sessions's top deputies, told the Senate Intelligence Committee last February that the dissemination of Boos's piece was an aberration. Boos's report "should not have been circulated as an FBI document." But an unsigned, handwritten note at the bottom of the FBI's cover note that accompanied the Boos letter suggests that Revell had been in touch with Boos—even sending him a letter acknowledging his efforts.

Boos acknowledges that Young America's Foundation sent the FBI copies of *Campus Intelligence Brief*, a publication that tracked left-wing political activity at universities. "I just consider it to be good journalism, good investigative journalism," Boos explains. Giving the FBI the benefit of his reporting is a "public service." "As a journalist," Boos says, "you like to believe your articles have some impact."

Casey's brain and Soviet dupes

J. Michael Waller knows something about high-impact journalism. A former associate of Boos, the 26-year-old Waller also churned out material on CISPES that found its way into FBI files. In November 1983, while director of research at the United States of America Foundation (housed, at least at one time, in the Heritage Foundation's building in Washington), Waller produced a 21-page report, "CISPES: A Guerrilla Propaganda Network." Months later, Waller penned

Steven Burkholder is a Connecticut writer. This article was supported in part by a grant from the Fund for Investigative Journalism.

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the virtually identical "CISPES: A *Terrorist* Propaganda Network." (Note the altered wording—a subtle marketing decision?) for the Council for Inter-American Security. This group counts among its articles of faith the belief that World War III has already begun and that American determination is all that stands between our Latin neighbors and "communist conquest and. . .sterilization."

Though exactly how it happened is unclear, both these reports, along with a third brochure produced by Waller, "CISPES: Fiction and Fact," ended up in FBI files. Waller's work not only was kept in the CISPES file in Washington, two of the three documents were, according to a source, actually sent out to a dozen field offices as recommended reading.

Waller's worldview, incidentally, provides some tips for freelancers aspiring to hit the bureau's reading list. First rule: don't mince words. In 1987, Waller told a reporter for San Francisco's KRON-TV that William Casey's brain seizure was caused by "harassment" from liberals in Congress and the media. He co-authored "Congress's Red Army" for *National Review*, depicting Chris Dodd, Tom Harkin, and Pat Schroeder, among others, as Soviet dupes. (Waller did not return messages left by telephone.)

Given the FBI's apparent propensity to believe much of what it reads, it's no surprise that a dubious walk-in informant helped get the CISPES probe going in the first place. The bureau stated in a report last February that it relied on an April 1981 story in a publication called *The Review of the News* to justify its first (and first abortive) five-month investigation of CISPES. That article linked Farid Handal, the brother of El Salvador's communist party chief, with a number of U.S. citizens "sympathetic to the anti-government forces in El Salvador." The bureau's probe, however, turned up no evidence that CISPES was acting as an unregistered foreign agent.

The Review of the News, until it went defunct a few years ago, was the official organ of the John Birch Society. The author of the article is John Rees, described in court documents and published accounts as an FBI informant. Had someone at FBI headquarters looked into their files they might have found a memo dated September 27, 1968, describing Rees as "an unscrupulous unethical individual" whose information "cannot be considered reliable." (Rees said in an interview that he had never seen the memo.) Yet despite this characterization, in 1982 the FBI *again* depended on Rees's writings—this time sending the State Department a book excerpt that its Office of Public Diplomacy relied on to officially label a women's peace group a "Soviet front organization." The label later was withdrawn.

Better answers

As suspect as all this may seem, it gets worse. Another more serious episode involves Frank Varelli, whom the FBI called its key informant in the CISPES counterterrorism probe and on whom the bureau placed "undue reliance," as Sessions told Congress. (Court and other documents described in *The Boston Globe* and elsewhere seem to bolster views voiced by FBI critics that Varelli is a scapegoat for FBI mistakes.) Where did Varelli get his information? At a Senate Intelligence Committee hearing in September, Chairman David Boren asked Sessions about reports that Varelli prepared memos for his FBI handlers by cribbing from Mexican magazine articles written by Roberto D'Aubisson, the suspected Salvadoran death squad conspirator. Sessions did not quarrel with these revelations, adding, "The source of those materials should have been very clearly checked out."

For his part, Varelli—who is suing the FBI for back wages—and his former lawyer also charged that the agents in Dallas were supervising him to fill his reports with tidbits from far-right sources, steering him to particular writings if he ran dry.

Senator Boren was not alone in his concerns. On the House side, Don Edwards, the California Democrat who chairs the judiciary subcommittee entrusted with oversight of the FBI was bothered by all this. "The problem is not in private groups or individuals lawfully collecting information on other groups or individuals," he wrote Sessions in November 1987. "Our concern is with the bureau receiving and filing such information if it does not pertain to criminal activity."

After several months, Sessions answered with a brief letter and 11 pages of FBI responses to questions from Edwards. "There is no easy formula for the FBI to use when deciding to accept information," read one response. Another, pertaining to the Rees documents relayed to the State Department, stated: "The decision of the credibility of such a public document in most circumstances is left to the reader." After the CISPES debacle, the FBI knows it must come up with better answers. □

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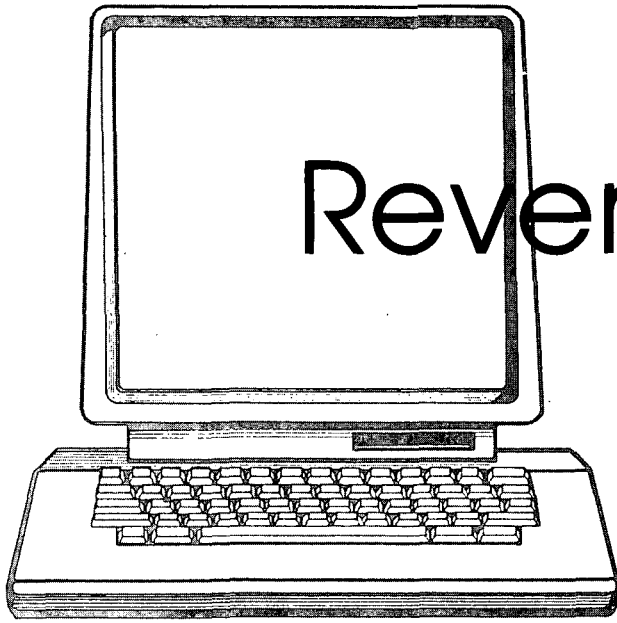

Revenge of the Nerds

The real problem with computer viruses isn't genius programmers, it's careless ones

by Nicholas Martin

It was with admiration rarely applied to saboteurs that the media presented us Robert T. Morris Jr., the 23-year-old "whiz" who brought the 60,000-computer Advanced Research Projects Agency network (Arpanet) to a halt in November. *Time* called Morris's creation "one of the most sophisticated and infectious computer viruses the world has yet seen." *The New York Times* referred to Morris's virus as a "programming *tour de force*," and quoted, without comment, one Harvard graduate student's analogy that, "It's as if Mathias Rust had not just flown into Red Square, but built himself a stealth bomber by hand and then flown into Red Square."

Morris fit—or was made to fit—the image of the Diabolical Supergenius Computer Nerd: Glasses. Frequent late-night sessions with the computer terminal. Slightly crazed look. He probably learned to read at age three and was doing calculus in seventh grade. His teachers all called him "brilliant," but bored with normal adolescent preoccupations and unchallenged by school work, he was drawn to the one deed that required all of his staggering intellectual prowess: breaking into the most powerful computer system on earth. Or something like that. In the movies we usually end up at DefCon Two.

Of course, many people in the computer business only helped encourage the notion that it took a one-in-a-million genius to pick this lock. A group of programmers working to counteract Morris's program told the *Times* they were "impressed with its power and cleverness." But then again, they would look sort of silly being outsmarted by your generic computer-literate 23-year-old.

In fact, a great deal of what Morris did was frighteningly simple. As Eugene Spafford, a Purdue computer science professor, wrote in a recent technical report on Morris's program, "The [program] was apparently. . .done by someone clever but not particularly gifted. In general, [it] is not that impressive and its 'success' was probably due to a large amount of luck rather than any programming skills possessed by the author." Morris didn't pick the lock to the Arpanet computers, so much as find the key someone had left under the mat. Or as it turned out, on top of it.

The key on the mat

The computers Morris invaded were part of the Arpanet, an international grid of telephone lines, buried cables, and satellite hookups established by

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the Department of Defense in 1969. It connects 60,000 computers owned by universities, private research companies, and the federal government. Users routinely share information on topics as diverse as the Strategic Defense Initiative (unclassified material only), Shakespeare, and—yes, some parts of the computer hacker stereotype are true—recent episodes of Star Trek. It's much like when the rest of us mail letters—except that the network's split-second speed definitely beats the U.S. Postal Service.

On the evening of November 2, Morris used his terminal at Cornell University to introduce a computer program into a Massachussetts Institute of Technology computer. (He apparently chose MIT to throw detectives off his trail.) The key to his success was finding a security flaw in "Berkeley Unix," the "operating system" or basic software, used by many of the network's computers. Morris's program—a "worm" as computer cops call this type of program—didn't exactly defeat the security systems on the 6,000 Arpanet computers it infected (about 10 percent of the computers on the network); it just ignored them.

His program made use of a simple "mail" service, a convenience provided with most operating systems that allows one user to send a message to another. (In Los Angeles, Rodgers types in his idea for a new musical, and whoosh, off it goes to Hammerstein in Manhattan.) The Unix package came with such a program called "Sendmail." But computer programmers are as fond of optional extras as car buyers, and in this case the options made it just a bit too user friendly. Eric Allman, the Berkeley graduate student who wrote Sendmail, included a feature so people could mail messages not just to other people but also to other computer programs. All Morris did was to notice that if you could send a message (which is simply a collection of letters, numbers, and punctuation) to a program, then you could send a *second program* (which is also just letters, numbers, and punctuation) to the first program. From there it was simply a matter of Morris sending his instructions forth to be fruitful and multiply.

There are many different types of programs. Some make calculations, some organize data—and some start up or give birth to other programs. By mailing his worm to one of these surrogate mother programs, Morris ensured that it would get copied and sent forth to infect other computers. His program still couldn't delete other people's files—not at this stage anyway—but it enabled him to run a program on someone else's computer, something Unix security systems were supposed to control. Once there, Morris's program let loose with all sorts of requests: it searched the system for other computers to call up and infect; it broke into higher security areas; and it sent an announcement of its "birth" to a computer in Berkeley (apparently another effort to shake off computer detectives). After a while, the programs demanded so much time and memory from the computers that the computers broke down, or, in the jargon, "crashed."

To actually delete data, Morris's chain-letter-from-hell had to give secret passwords that would get it past key checkpoints. It did. By what ingenious method? It guessed. Using a list of 400 common English words, Morris's program guessed right in at least 12 cases at Cornell alone. This is one case where human qualities like impatience and skep-

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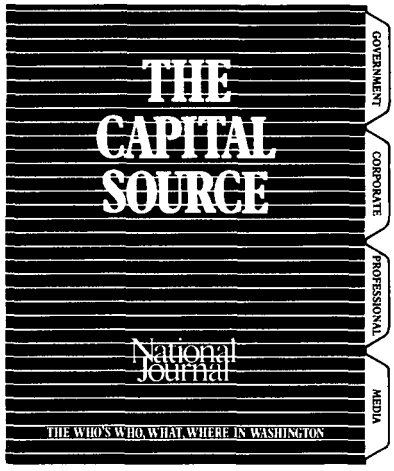

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ticism might have served the computer well. Imagine the husky soldier at the guardhouse waiting for an hour as a frantic visitor guesses incorrect passwords—and then letting him go by when he finally hits the right one. Sure, it's a hassle to memorize a gibberish password. But it displays a certain disregard for security—not to mention a lack of imagination—that programmers who know how easy it is to break simple passwords would use codes like "Mozart" or "Princeton" to protect their files. It's the rough equivalent of using "Open Sesame" to get into SAC headquarters.

Sharing vulnerabilities

Why was security so lax? Quite simply, because computer designers get careless. Allman says he put the hole in Sendmail because it made it easier for him to test the program, and no one bothered to remove it before the final product was shipped. Some people have suggested the hole remained open because it made it simpler for those in the know to get in. We should remember these programs are not exactly developed in top secret silos 600 feet underground. Berkeley Unix, like many big programs written for multi-user computers, was partially developed at a university, with little faculty supervision. It was written "basically [by] grad students," Allman says. Allman himself wasn't even officially assigned to the Unix project when he wrote Sendmail. "I did it in my spare time. . . ," he says, "Just as a lark—some lark." In case something does go wrong though, Berkeley Unix carries a disclaimer which explains that "this software is supplied 'as is' without express or implied warranty." This is about as reassuring as a security team that turns off the alarms because it doesn't like the noise, while disclaiming responsibility for break-ins.

This attitude may explain why so many important computers have already been infiltrated. In August 1982, Ken Thompson of Bell Labs also broke into the Arpanet system. "I picked at it for two or three days and I got into it," he told *Smithsonian* magazine. "Then all the other systems fell." Two or three days isn't very long to compromise security on a major network. And if you think O-rings are the only potential problems for spacecraft, consider that intruders used Arpanet to break into the Jet Propulsion Lab in Pasadena three times in two years. After a break-in in June, the *Los Angeles Times* wrote, "Officials worried that an intruder could learn 'how to send bogus commands' to the [eight] spacecraft the laboratory controls.'"

Yet so far those in charge of protecting the nation's important computers have been blase. In 1982, using a technique as simple as Morris's but harder to protect against, a group of Berkeley undergraduates discovered a flaw in Unix that allowed them to break into the school's computer system. Experts at the Stanford Research Institute called it "the most serious computer security problem" they had encountered. They alerted the National Security Agency, which at the time was charged with setting security standards for the nation's computers. But the solution involved costly hardware, and even though those are usually the magic words for a military agency, the NSA said no. "I share [Stanford's] general concern for the lack of security in computer systems," said Colonel Roger Schell, then deputy director of NSA's computer security evaluation center, "But this is just one of numerous sorts of concerns." (Translation: We can't solve this problem because there are too many problems like it.) His solution? "Although we are generally committed to sharing information, we would not share vulnerabilities." (Translation: Don't worry. We won't *tell* saboteurs that our systems are vulnerable.)

But don't think the Pentagon has left its own computers completely defenseless. In the 1970s it set up "tiger teams" to try to steal sensitive information from Defense Department computers. The teams invariably were able to get whatever they wanted. The Pentagon's response: abolish the tiger teams. When asked if a virus like Morris's could have infected classified computers, army Colonel Thomas M. Herrick, a senior officer at the Defense Communications Agency, said, "Absolutely not." Others in the Pentagon didn't share his optimism. Several weeks later the Pentagon abruptly disconnected Milnet, an *un*classified military network, from Arpanet because a defense contractor's computers had in recent months been violated several times.

The stereotype of the computer genius is so strong that it's difficult for us to believe that the problem is negligence. Reporters, like most people, place great faith in scientists and their unfathomable ways. That faith is understandable, but it could stand a little tempering.

What's more appalling is the sheer indifference of so many programmers, who know there's a problem, but won't sound the alarms. There may be no perfectly secure system, but that doesn't justify or explain shoddy quality control. And apathetic programmers can make expensive solutions like NSA's proposed anti-virus coordination center (replete with beeper-carrying "response teams") irrelevant.

After the Morris incident many of them just circled the wagons. Tom Knight, a professor of computer science at MIT, told *The Washington Post*, "The job of a university is to distribute information, not to keep it secret." But the fact is that MIT's libraries aren't open to everyone who can read. There's no reason why its computers should be open to everyone who can program. □

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The Start-Up Blues

You thought banks and venture capital firms help entrepreneurs launch their businesses. Guess again.

by Jeremy Schlosberg

They're out there. Right now. Opportunities. The kind that can make you independent, rich, or both.
—BusinessWeek

It's not any secret that running a new business is rough going. The hours. The sweat. The risk. But what's less well understood are the incredible battles entrepreneurs must fight just to open for business—never mind face the competition. Like Walter Payton, they must weave past those institutions that are supposed to help. Venture capitalists who sneer. Bankers who smile politely and say no. Advisers from government development offices who have no useful advice. A tax code that encourages Michael Milken more than Joe Fix-It. Genuine encouragement is frustratingly rare. The best encouragement of all—it's green and fits nicely in a wallet—is all but impossible for many fledgling entrepreneurs to locate. Opportunities may be out there, as *BusinessWeek* says, but so are the landmines.

Of course, not everyone who wants to start a business is up to the task. But entrepreneurs face a kind of social Darwinism that can quash the fit as well as the unfit. Talk to any entrepreneur who has made it and he or she, with the knowing look of an Iwo Jima veteran, will regale you with tales of how that little start-up was almost blown out of the water. Listen to a few such stories and you'll realize that the astounding failure rate of new businesses—by most accounts, four out of five—isn't just a healthy weeding out of incompetents. Even in this age of the glorified entrepreneur, our society continues to block the path of the aspiring owner.

Who cares? So what if some self-styled Mrs. Fields bombs? The fact is that when the entrepreneur suffers, we all do. After all, 80 percent of new jobs are created by businesses employing 100 or fewer people. And it's more than jobs that the small businessperson brings to the economic table. It's innovation of an order rarely seen in the Fortune 500 world, the expansion of capitalism into areas that are unprecedented, even unimagined. (At Xerox, researchers had worked furiously to develop a personal computer, but management made the brilliant decision to cancel the project.) If a product you use is useful, delicious, or fun, chances are an entrepreneur first conceived it—even if it has since been swallowed by a larger company. An entrepreneur is part inventor, part marketer, part guinea pig, part sacrificial lamb. Big business rarely innovates, but routinely appropriates. When we cut off the entrepreneur we're committing economic suicide.

And the benefits of entrepreneurship can't be measured simply in dollars. If we're serious about the pursuit of happiness, we have to do more to let

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people do the kind of work that won't put them to sleep or make them feel worthless. For many Americans, that means the responsibility and creativity of running their own business. But instead of building the kind of culture where entrepreneurs are encouraged, we've created an environment where they feel like losers even before they roll the dice.

'Are you crazy?'

Getting money is the Berlin Wall that any entrepreneur must clear. "The biggest problem is always, always, always money," says Peter Francese, an entrepreneur who founded *American Demographics*.

It's natural to think that seed capital, that first infusion of cash needed by any business, can be readily had from two sources: banks and venture capital firms. It's natural, but it's also wrong.

As far as banks go, Judy Anderson, president of Venture Management Service, a consulting firm in New York, puts it best when she says, "Banks are not interested in start-ups, period."

Why not? The reason is primarily cultural. The people who "self-select" into becoming entrepreneurs and bankers are, says Anderson, "such different people that they have a hard time talking to each other." Paul Hawken, in his book, *Growing a Business*, writes that "most bank managers and loan officers have never run a business and live in mortal dread that they might have to some day."

Instead of being trained to spot the bold new idea or a solid, well thought-out business plan, bank officers are trained to see how much money you've got. Douglas Castle, a financial consultant in the New York suburbs, admits that a "bank's attitude towards a business plan is that they think them all inherently false." He adds that banks just go by the applicant's financial records. If these look unblemished, the bank officer may "offer you a second mortgage [on your house] and call it a business loan."

This leads to a situation that sounds like an old joke, but it's true: banks want to lend entrepreneurs money only if they don't need it. "I had bankers asking me if I had stock, bonds, or other collateral like that," says Mary Codd, CEO of Coddbarrett Associates, a Providence-based computer graphics design and systems firm. "And I'm thinking, 'Are you *crazy*? Why would I be here if I did?'" When she tried to explain her ideas about graphic design, she wound up with "glassy-eyed stares."

"You could tell they didn't understand what you were saying," she says. To the bankers, computer graphics meant little beyond "visions of Pac-Man." Eventually, she met a local banker who was enthusiastic enough to come and visit her fledgling business. ("I almost fell off my chair," she recalls.) In the end, though, even that brazen banker lent her $100,000 for computer equipment only because she and her husband owned their home. It wouldn't have mattered if she was Steven Jobs. Had she been renting a second-floor walk-up, she would have been stuck working with her old equipment and never would have started her business.

The track record of banks was so discouraging that Peter Barnes never bothered to approach them when he was starting his business a few years ago. Barnes, now the director of a money market fund, had formed a business called The Solar Center, which built solar heating systems for large residential and commercial buildings. The business proved a success, lasting ten years before dissolving. After putting up $30,000 themselves, Barnes and his six partners turned to friends for the next $70,000 they needed. "We didn't even bother to try a bank," Barnes recalls.

The investment banks are just as squeamish about funding start-ups. Ask Hunt Blair. He's the president and co-founder of The WIRE, a national cable radio station in the making in Providence, Rhode Island.

His first sales pitch to an investment firm was an unusually striking lesson in the stodgy politics of fund-raising high above Rockefeller Center in the English-manorized offices of a private investment bank. Despite the baronial environment—he and his partner, Mark McDonough, were expected to spiel from the end of a massive cherry wood table as narrow as a ping-pong table and as long as a lap pool—the bankers were genial, but the final word was: let us know when you get some money.

"That's everybody's final word," says Blair.

"People are not interested in starting businesses but in trading businesses," says Steve Tytel, president and founder of Opton, a new retailing chain, and who also founded Ingenuities, a popular chain akin to The Sharper Image. "But somebody has to start businesses, otherwise there will be no businesses for these people to trade back and forth."

Even though he has a sexy product, Tytel has far too many sour experiences with bankers. After submitting a financing proposal, he'll get a followup phone call "and they'll say right away that they're not interested in the deal."

"Nine times out of ten this means they haven't even looked at the paper," he says.

Tytel flinches with embarrassment recalling the time he programmed his presentation to a major New York City bank into a three-foot robot that he had sold at Ingenuities. Picture a table of J. Press suits watching an R2D2-ish contraption spouting marketing strategy and financial projections while scooting around a skyscraping conference room. A

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If it's not the prospect of investing in the small start-up that sets venture capital firms salivating, what does? Often, it's the prospect of investing in firms that are already in business and about to be traded publicly.

big hit it was not. "All they could do was look at me and say, 'Where's the leverage in the deal?' "

Francese of *American Demographics* had known enough not to bother with banks for his initial seed capital. He conceived of the magazine while lying on a Delaware beach during a vacation in 1977, ran immediately to his motel room to write his business plan, and plotted where to go for his money. He had long been in the business of using census data to help businesses, and he knew people who might be interested in investing. But of course the first bit of money didn't last long, and as he was struggling to meet his payroll, he turned to his bank to lend him more money. His banker would not only not lend him more money, but said, with measured banker's cool, that the bank now wanted some of the money Francese owed them back. He was flabbergasted. "I said, 'Why would I come and ask you for more money if I could pay back the other loan?' "

The venture adventure

As for non-source number two for fledgling entrepreneurs—venture capital firms—forget it. Liberals and conservatives alike have a picture of these companies as the swashbuckling heroes of the economy—rogues willing to take a chance on the whiz kid with the bright idea. In fact, venture capital firms are a conservative lot. Only 13 percent of the $3.9 billion disbursed by professional venture capital firms in 1987 went to companies that were in the earliest phases of marketing and testing products, according to Venture Economics, a research firm based in Wellesley, Massachusetts. Less than one-fifth of this 13 percent was actually seed financing going to those who had no product, no marketing, just an idea. The other 87 percent got pumped into established ventures.

If it's not the small start-up that sets venture capital firms salivating, what does? Often it's the prospect of investing in firms that are already in business and about to be traded publicly on the stock exchange. (Indeed, this is the time when many founders of the companies themselves cash in.) For the investors, the bottom line is the big profit, not some long-term nurturing of a small start-up. "We look at the risk/reward equation and go from there," says Robin Grossman, a venture capitalist with Salomon Brothers. "We invest pure and simply for a return on investment."

It is their job to make money, and no one should begrudge them that. Neither, however, should they be commended. The consequence for society is that venture capital is available for businesses that are well enough along, but the money is hardly ever there at that moment of creation when a business is just starting. The venture capitalist is rarely serving any more of a social good than is Kohlberg, Kravis when it does a leveraged buyout.

And because venture capital firms are looking for the most blatantly and rapidly profitable investments, they wind up sticking with only certain kinds of can't-miss ideas. This mentality has led venture capitalists to worship at the altar of high-tech.

"It's extremely hard to find that first little bunch of money you need for a new company, unless you happen to be working with this year's hot technology," says Blair.

"There's a tremendous appetite among venture capitalists for incomprehensible things," said Maurice C. (Tommy) Thompson, founder of Senior

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Service Corporation, a Wilton, Connecticut company that runs a chain of day-care centers for the elderly. "I think it's considerably tougher to get money for common-sensical ventures the average person can understand."

This reliance of venture capital firms on heavy hitters resembles the power versus speed argument in baseball, only with portentous social ramifications. With the large majority of our venture capital consumed in the hunt for the rare high-tech "sluggers," the more economically, socially, and geographically diverse "spray hitters" are all but abandoned. Is this good for the venture capitalist's profit margin? Certainly. Is it good for the country? What do you think?

Thus has arisen one of the field's most curious ground rules: it is easier to raise a lot of venture capital than a moderate amount. After all, it doesn't cost a venture capital firm much more to disburse $5 million than $500,000 and the return on the former is much greater than on the latter.

Steve Tytel remembers his unsuccessful forays into the offices of venture capital firms. "I walked in and immediately had two strikes against me—I'm a start-up, which is way too risky, and I'm only looking for $1 million, which is not enough."

For those who do manage to get the venture capital, it's a Faustian bargain. "Your soul, your heart, your children, your wife—everything you own, they want," says Francese of *American Demographics*. But he knows that they demand a lot of equity—as high as 80 percent—to cover the baths they frequently take.

Some see the attitudes of venture capitalists changing in the face of the '87 crash. There may have been fewer initial public offerings since then, which has reduced the venture capitalist's ability to rely on what Castle, the investment consultant, calls the "greater fool hypothesis." That was the theory that a venture capitalist would invest money in a company for as short a time as possible before he could find the greater fool who would pay more for the company than he did. "It was a wonderful game," says Castle. Today, venture capitalists must be prepared to live with their investments longer than in the halcyon days of 1983-84. Before, the bottom-line question was "Who's getting me out?" Now, he says, it's "Is this thing really going to be valuable?" That's got to be better. But it likewise has put more pressure on venture capitalists to find the heaviest hitters of them all.

Family ties

And it leaves the truly little guy with but one choice for start-up money. Some call it the "informal investment network." Others call it "creative financing." What it comes down to is begging friends, family, and acquaintances for cash.

These informal investors are the Medicis of start-up capital. A recent study for the Small Business Administration came to the startling conclusion that the flow of informal equity is "probably several times larger than professional venture capital investment." The report went on to characterize the typical informal investor: the median age of the informal investor in new companies is 47, the median family income $90,000. While the report stresses that these informal investors are not typically millionaires, neither are they hurting. Their median family net worth is $750,000.

There's a scary social lesson in all of this. To be an entrepreneur you need people with money. It's true that when it comes to getting a job, society has become more meritocratic. Coming from a rich family is no longer guarantee of a seat at Princeton or Morgan Stanley. But when it comes to starting a firm it is desperately important to know someone. If you've grown up poor, or haven't forged any connections, you're sunk.

"Entrepreneurs almost have to come from the upper-middle or upper classes," says Blair, "because your first financing has to come from rich private sources. These are very hard to come by unless you're related to them."

Typically, you must have at least a house to mortgage, and therefore a hundred grand or two as a head start. "Everybody says to us, 'Why don't you have any of your own money in this?'" says McDonough of The WIRE, the cable station. "We say, 'Because we don't *have* any money,' and they don't quite believe it. 'Oh, come on—surely you have some money.' Well, I've got $88 in my savings account."

"Of course, the right-wing response to that is, 'Well, you're going to have to work for a while,'" says Blair, who really hates that one. Twenty-eight years old, he's worked at more jobs than he cares to remember, often two at a time. But he's also spent the last five years committed to The WIRE, which is envisioned as the long-awaited rebirth, on cable, of eclectic rock 'n roll radio. You wait until you save enough money that way, and you'll be far too old to rock 'n roll, or do much of anything else.

"The traditional rags to riches thing is a real tough go," says McDonough, Blair's partner. At least The WIRE boys went to Brown. "We would absolutely be nowhere if we had gone, say, to Rhode Island College instead," says McDonough. "It would have made everything ten times tougher."

The bottom line is if people don't know you, they don't want to know you. You can have a good idea, you can even have an idea that will serve society well, but if you have few contacts you're going to

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get bruised by all the brick walls you'll run into. Tommy Thompson, who runs the centers for the elderly, readily acknowledges that he could not have started Senior Service in 1985 if he had not had a 20-year record as a turnaround specialist for ailing companies; he was already a millionaire. "It's extremely difficult to get anyone to take a real chance on someone without a track record," he says. It's kind of the same problem people have who want to bring an original show to Broadway, he notes. Revivals just seem so much safer.

What about the federal government? Isn't it helping? The federal government, of course, has the granddaddy of all business support organizations, the Small Business Administration. But the agency's usefulness to the fledgling start-up is, at best, debatable. Paul Hawken has described it as "one of the strangest institutions known to mankind"; Paul Resnik, author of the *Small Business Bible* declares, "I've never heard of a small businessperson who has gone to the SBA for money, never mind advice."

But the real last word comes from Joseph Mancuso, founder of the Center for Entrepreneurial Management in Manhattan, which, at 11 years and 4,000 members, is the oldest and largest such organization in the country. "The government provides jobs to 5,000 bureaucrats in the SBA," he says. "They spend a lot of money doing nothing. And we count on them zero." As for the small businessperson just starting, he says, "If you've got a really good idea, stay away from the government."

As for those SBA loans, they are effectively, if not intentionally, anti-entrepreneurial. The paperwork is monumental, and the process might typically take 18 months. "The question is, where do you want to devote your energy—to getting your business going, or to trying to get an SBA loan?" says Tytel.

State programs have been a little more active and useful for entrepreneurs, including one, the Small Business Development Center program, that operates in conjunction with the SBA. The premise is to have SBDCs in every state (they are now in 46) to advise and educate entrepreneurs, each tailored to the needs of a particular state's business environment.

Some state programs do help. Michael Leckrone, founder and CEO of Vaser, an Indianapolis developer and manufacturer of laser/catheter systems, was literally saved by a $500,000 loan from a state agency established to fund high-tech companies. But more typical is New York City where the tax breaks are lavished on huge companies to encourage them to stay in town. As Judith Anderson of Venture Management Services puts it, aside from a few incubator projects, the city has made "no effort to produce an atmosphere that is congenial to *starting* businesses."

Jane Startup's tax tangle

How then to help the entrepreneur? Most everyone agrees that tax breaks to encourage new investment would be of the greatest benefit to the widest cross-section of entrepreneurs. "We do not have a tax policy which rewards people for the risks they take," says Bo Burlingham, executive editor of *Inc.* magazine. "And that is stupid. The government has the power to have a major impact on the flow of capital to start-up companies. Right now it's not using that power."

If anything, the government has curtailed many of the crucial tax incentives that once helped the start-up business. It used to be that the investor in a new business had a big, soft cushion: a 50 percent write-off of his losses. That has been reduced to 28 percent. What's more, it's hard to take advantage even of that small deduction. Whereas the investor once could have written off his losses against any income—salary, interest, whatever—now it can only be written off against what the IRS calls "passive income," which few people earn. The bottom line is that there's much less protection if the investor loses his shirt.

And the tax laws that govern how you set up that new business can also be a hindrance. Let's say you're an entrepreneur. You could organize your new business as a limited partnership. This allows you to have an unlimited number of investors, but it also means that the general partner—most likely you—is liable for what goes wrong. The alternative is to organize the Subchapter S corporation, where there is no personal liability. But the drawback of the Subchapter S rule is that you can't have more than 35 partners—and the last thing you need when starting a small business is a limit. You'll need every nickel and dime you can get.

There is a trick to getting around this but you need a Sacajawea to lead you through the tax forest: form a limited partnership but instead of appointing yourself as general partner, create a Subchapter S corporation to be that general partner. That gives you the best of both worlds: the advantage of raising money from an unlimited number of partners but without having to assume the liability.

Unfortunately, much of the debate over taxes and business centers around *established* businesses—not brand new businesses. For instance, lowering the capital gains rate—a priority of President-elect Bush—would only encourage more trading and investment in businesses with an established track record. It would spur investments in GM as much as it would investment in Jane Startup. But since the promise of return from a new company is less than certain, investors have little incentive to back a start-up rather than an existing company.

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"You must motivate risk capital," says Edgar T. Mertz of the Liposome Company, a Princeton high-tech firm. While some argue that a great return inherent in a great risk should be motivation enough, risk capital could be best encouraged if we didn't treat all investors equally, but instead delivered tax breaks to those who invest precisely in new businesses. One of Gary Hart's new ideas worth remembering was a proposal for a "new capacity" stock that would be spared the capital gains tax on its first resale and would thus give investors the incentive to target their investment on new plants and equipment instead of simply trading old issues.

As for the start-ups themselves, all are plagued with the prospect of high Social Security taxes when they make those first couple of hires. If those taxes could be paid as a percentage of profit, rather than as a flat rate, then businesses wouldn't need so much money to get started. In fact, most any kind of tax holiday for new businesses—and only new businesses—would be worth cheering.

Ideas like these don't get floated often, not because they're not worthy but because there is no one out there to speak for the start-up entrepreneurs themselves. Washington is rife with business lobbies, of course, from the National Grocers' Association to the Sporting Good Manufacturers Association. But these lobbies are organized to fight for breaks for companies that are already established. You see them pounding the pavement on Pennsylvania Avenue trying to get breaks for Safeway and Spalding not exclusively for Mom's Grocer's or Frank's Tennis Balls. What we we need is a spokesman for the start-up. □

My Banker Wouldn't Back My Building

by Jim DeParle

"We...are pleased to welcome you as a PREMIER ACCOUNT customer. Through this relationship, we hope to provide you with financial services tailored to your needs."

A *premier* account. Financial service tailored to my needs. I felt I had arrived. And why not? After all, I had banked at one of Florida's largest banks for 15 years without so much as bouncing a check. Now the letter was promising me a $15,000 line of credit and a Gold Visa Card that would allow me to charge $5,000 more. I was even being assigned my own Relationship Banker. But our relationship was soon to sour.

When my partner and I asked for a mortgage on our proposed office building, we thought we would have no trouble. Our concept seemed hot. We would provide small business people with all the office services they needed at a price they could afford, starting at $199 a month. They'd get a receptionist up front to greet the clients, unlimited use of a conference room, and a mail clerk to prepare and receive packages from UPS and Federal Express. On a fee-for-service basis, they'd also get use of the office copying and Fax machines, and a secretary to type letters and answer phones. We'd throw in a microwave and a refrigerator—everything right down to and including the kitchen sink and an endless pot of coffee.

The idea wasn't ours alone. *Entrepreneur* magazine had touted such "business development centers" as the ideal home for a new enterprise—just the right place for an insurance agent or sales rep to park his filing cabinets. Business theorists at many universities have plugged the idea too. Meanwhile, nearby office buildings that offered similar services were full, while starting their rents at $320, much higher than ours. We knew we had the competition beat. My Relationship Banker referred us downtown to the commercial loan department.

Like most small businessmen asking a bank for a loan, we approached with some trepidation. We showed up 20 minutes early for the meeting; the banker kept us waiting for 20 minutes past our meeting time, which further unnerved us. The entire place was deathly still. I found myself whispering to my partner. When the receptionist finally ushered us into a spacious office, a thirtyish-looking man greeted us as if we were there to join the Jaycees. He sure seemed friendly.

Having spent two days in a seminar on "how to properly package your loan request," we were ready. I explained the concept and threw in graphs, projections, and surveys, even including a copy of the *Entrepreneur* article. Our friendly banker's first question was "How much rent are you going to charge per square foot?" I explained that square footage alone didn't tell the story, since our rentals stressed the amenities.

"Square footage," he said.

"Conference room," I replied.

"Square footage," he said.

"Fax machine and receptionist," I said.

He persisted. "I need to know," he said.

Gazing about his plush corporate nest, it oc-

Jim DeParle is a Jacksonville, Florida businessman.

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curred to me that this was not a man who had ever found himself in want of a conference room or receptionist. No wonder he wasn't getting the point.

"Okay," I said, "$16.50 a square foot."

"I don't think that you can get over $12 in that area," he said, comparing us to buildings that offered no services at all. He told us to get a certified appraisal supporting our projections. If it showed our loan request to be less than 75 percent of the building's estimated value, "we can probably do the deal."

The nest egg

This wasn't the relationship we'd hoped for, but still we had a chance. After all, our credit files were clear. Our combined financial statements showed net assets of more than $400,000. My partner had recently retired after 32 years of successfully meeting the payroll at his Venetian blind shop. My little insurance agency wouldn't turn Clement Stone green with envy, but it had shown steady growth for eight years. Plus, by moving my office to the new building, I would become the first tenant and an on-site manager. We set off to get the documents our banker wanted.

One month later and $900 poorer, we found that the certified appraisal confirmed our projections. By setting our rents lower than other offices with our services, we could achieve a 90 percent occupancy rate in the first year. At that point, we'd be earning $34,086 *after expenses* to cover a mortgage of $26,520. Plus, our loan-to-equity ratio would be well within the bank's guidelines. The appraiser said the building would be worth $375,000. Our mortgage would only be $225,000. This meant we were asking for a mortgage of only 60 percent of the project's final value—far below the bank's 75 percent limit. We forwarded the good news to our banker, with all the accompanying proof.

Then we waited. And waited. Our banker always seemed to be in a meeting when we called (making good use of that conference room, no doubt). He was always going to be getting right back to us. Meanwhile, we moved ahead on other fronts, wrangling with government agencies for all the permits and approvals we needed, meeting with our contractor to iron out our plans. In the middle of our excited preparation, reality hit. We were not going to get our loan. Three months of conforming to the rules had just gone down the drain. When we finally pinned down our friendly banker, he said, "There are too many office buildings going up in town."

We regrouped and explored our options with a new sense of reality and a new bitterness toward bankers. We'd already dished out $10,000 for draftsmen, surveyors, civil engineers, and government permits, not to mention our investment in the land. Now where would we find the $225,000 we needed to finish the building? We met with our contractor, cutting some nonessentials from our plan and agreeing to do the job supervision ourselves. That saved us $15,000. Fortunately, my partner was selling the building that had housed his business. He used that money, and virtually all of his retirement nest egg, to give us a $190,000 mortgage, with the partnership agreeing to pay him 11.5 percent annual interest. I sold my home and bought a new one, taking a higher mortgage and putting the $10,000 difference into the pot. Then I borrowed another $8,000 from a relative. Whew. We made it. But just barely. We realized if we didn't rent the offices quickly, we wouldn't have much staying power. We took a giant roll of the dice, with everything on the table.

My partner went to work as job supervisor and shopper extraordinaire. He ground down the subcontractors to bottom dollar, casting a bookkeeper's eye on every brick and nail. He shopped far and wide to save a dollar a gallon on paint; our carpeting came in $2,800 under budget. I hung the wallpaper and together we planted 65 bushes on a Saturday. I began preaching the virtues of our rentals to anyone who would listen.

I moved in July 15 to oversee the finishing touches. By August 1, we had rented four spaces. After paying for office machines, utilities, a secretary, and interest, we lost $2,200 that month. This left us with only $6,000 in reserve funds to cushion us from disaster. One week in late August brought three more rentals, stemming our losses and our rising blood pressure. We knew we could make it. Now, with 12 of the 15 offices filled, our Bishop's Square is home not only to my insurance agency but to the contractor who built our building, an environmental consultant, a computer programmer, and an artist, among others. We're past breaking even, and we might even have a small profit to show by the end of our first full year.

I'm looking out my window now at the empty lot we own next door and just beginning to picture another building rising from the turf. Entrepreneurs never quit; they just look for private backers. □

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MEMO OF THE MONTH

D.C.-44
May 1967

Memorandum ● **Government of the District of Columbia**

TO: Executive Staff

Department, Agency, Office: Human Services

FROM: Alice C. Redmond, ACSW
Director, Region III - South CMHC

Date: AUG 26 1988

SUBJECT: Use of Alcohol and Illegal Substances

Kindly remind your employees of regulations regarding the consumption of alcohol and the use of illegal substances during the performance of their official duties and while on District government property.

Thank you for your immediate attention.

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The Worst City Government in America

When it comes to screwing the poor and feathering their nests, the District of Columbia's bureaucrats take the prize.

by Jason DeParle

If you came anywhere close to Washington, D.C. last year, chances are you heard about the ambulance crews. Poor fellas, they were just a bit disoriented. They kept racing out of the fire stations and losing their way, while their patients choked and bled to death. After driving to the wrong address *twice*, a rescue unit never did catch up with Victim Number Nine. He lay hemorrhaging for 40 minutes until his family quit waiting for help and whisked him to the hospital, where he died. As reports of the lost ambulances increased, the fire chief got serious: he rushed out and bought his crews some $8.95 maps. And the department didn't exactly score a public relations coup when a 911 dispatcher told a distraught caller to "grow up."

Everyone knows that big-city governments are bad. But the real story is this: they're worse than you think. And they're worst of all for the poor, for whom city services such as public housing and public health care are supposed to offer a last defense against pure misery. In D.C., misery has won. The government's mismanagement is so complete that the passive sins of its inept bureaucracy surely rival any active ones of business exploitation as an oppressor of the poor.

In D.C., as in most big cities, the usual case against the government focuses on old-style sin and scandal: rumors of the mayor's drug use and mistresses, or the parole prospects of his former aides. But plain corruption, of which there's been plenty, is finally just a footnote compared to the quiet cruelty of the District's everyday bureaucratic incompetence.

A small sampler from recent months:

► A murder victim died with 22 pieces of identification in his wallet. The city classified him as "unidentified" and sent his body off to be cremated. His family found out six months later.

► An 88-year-old boarding home resident collapsed and died while covered with maggots and lice. *Three* different city agencies knew about the condition of the home but did nothing about it.

► A drug dealer suspected of murder walked out of the courthouse after two clerical errors combined to set him free. When the police caught up a month later, he was wanted for four more killings.

The District may be pushing incompetence to its limits, but other big-city governments aren't far behind (see page 37); remember the 61 Philadelphia rowhouses destroyed during the city's standoff with MOVE? The befuddlements of big-city government are not only tragic but ironic, given the zest for local government across the political spectrum. The right, seeking to get the feds "off the people's back," nurtures a vision of bolstered local powers. Mainstream Democrats, attacking the Reagan-era cutbacks, have presented big-city mayors as a more compassionate example of executive leadership. And for some liberal intellectuals, city government serves as the

Jason DeParle is an editor of The Washington Monthly. *Katherine Boo and Michael Weeks provided research assistance for this article.*

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Vacant apartments account for 19 percent of the city's public housing—more than 2,400 empty, waiting homes.

repository of hope for those activists who wanted to "empower" the people through "community development." But whatever the doctrinal allures, bureaucratic inanities block the empowerment of anyone besides the bureaucrats.

And money isn't the issue. Unlike the people it purports to serve, one thing the D.C. government can't cry is "poor." Attempts to say just how well-funded it is get complicated, since the District has responsibilities that elsewhere get divided between cities, counties, and states. But even studies that adjust for the District's unique status find plenty of money heading towards the till. Only oil-rich Alaska collects more tax revenue per capita. In crucial areas like public housing, the District has even been caught returning federal money it failed to spend. "We have enough money," says John Wilson, chairman of the city council's finance and revenue committee. "I think [the government's] just inefficient and incompetent."

As for what the city does with the $4 billion in taxes and federal grants it manages to retain, there are clues. They don't, shall we say, make us wonder how city managers can make ends meet. Anecdotally, there are stories like the one about the city paying $2.5 million to rent a building it couldn't occupy because it failed to give the builder the plans to finish the interior. Or Car GT897, a city vehicle parked downtown and forgotten for nine months, while transients slept inside it. (Who says the city doesn't care about the homeless?)

Any number of hypotheses arise to account for the lost car and empty building, but a lack of clerical and administrative staff is not among them. The District has the only child support collection agency in the country that consistently has spent more than it has collected. The city historically has spent about twice the national average to deliver a welfare check. Only one state hires more administrators per teacher. And the rival governments aren't exactly portraits of efficiency. To waste more money than the competition takes work.

If bad local government were simply a matter of waste, we could just rub our sore wallets and hold a legitimate grudge. Sure, the bureaucracy functions first as a jobs program for its employees and only secondarily as a government. Sure, civil service rules keep incompetent workers in, and strict residency requirements have kept lots of talented people out. But the point isn't that city workers get more than they deserve; it's that city residents get less, particularly those most in need.

There's no small amount of irony in this since the the leaders of most big-city governments sell themselves as friends of the poor.

"The ones everybody's saying all along they're doing for—they're the ones suffering the worst," says Wilson, who, like a certain Washington, D.C. mayor, has civil rights roots in the Student Nonviolent Coordinating Committee. "The elderly. The poor."

Pesky budget officials

Somewhere inside Washington's public housing authority, she's #247-56-2910. But her real number is eight. That's how many years have passed since 59-year-old Lilian Wade first applied for a place in public housing.

Back then Wade held occasional jobs as a maid or nurse's aide; now, after a heart attack, she gets by on a $359 monthly disability check. This, as you might gather, does not make her a major player in the Washington real estate market. Wade has fashioned a solution: she splits a $427, two-bedroom apartment three ways, with two other disabled women. Wade sleeps on a fold-out cot in the dining room. But even with this variation of breakfast in bed, she spends more than half her income on utilities and rent. "We go to churches and get some canned goods," she said. "We get pork and beans. We don't beg."

But not far from Wade's home there's a familiar Washington sight: empty public housing, and lots of it. In some cases, entire courtyards of shuttered,

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silent brick. Some of the city's vacant apartments are scattered throughout occupied projects; others are part of whole buildings emptied for "modernization" projects and often forgotten for years. Together they account for 19 percent of the city's public housing—more than 2,400 empty, waiting homes. And it's not as though the District lacks the money to fix them up: In the past three years, the city has allocated about $100 million to modernize the apartments—so much that the housing authority can't figure out how to spend it all. A few years ago, the federal government got so tired of the District's decade-long failure to spend modernization funds, it finally stopped forwarding the money. At least Wade has shelter. Others aren't so lucky. As the District's inventory of empty public apartments has grown, so have the numbers of homeless families lining up at shelters.

The District's mismanagement of public housing has a long and proud history. In 1971 auditors from the U.S. Department of Housing and Urban Development voiced their dismay over the "apathy" of the D.C. housing employees and the "despair" of the tenants. Those were the good old days. By 1987 the mayor's blue-ribbon commission on public housing argued that "the picture had changed. . . but not for the better." And those are the mayor's own emissaries speaking.

It's no easy feat to keep so many apartments vacant and vandalized when pesky budget officials start shoveling $100 million your way. A lesser agency surely would have fixed something, even if by mistake. It took teamwork—bad maintenance, bad inventory control, bad security, bad rent collection. One feeds on another, but the lion's share of the credit goes to maintenance officials and their staffs. Not only have they taken up to *eight* years to fix vacated apartments but auditors have found they ignore more than half the maintenance requests from those that are still occupied. These delays help guarantee that the apartments will continue to deteriorate, sometimes so extensively that the tenants flee. And there you go—another vacant apartment!

This perfection of service nondelivery is worth a closer look, for it illuminates not only the housing crisis but a force that animates the city bureaucracy more generally: a higher regard for employees' needs than for the needs of those they serve.

It's no easy feat to keep so many apartments vacant and vandalized when pesky budget officials shovel $100 million your way. A lesser agency would have fixed something, even if by mistake.

A wish called Wanda

In 1986, just about the time the maintenance workers got this system really humming, Otis Troupe, the D.C. auditor, decided to have a look. Troupe works for the city council. Housing authority officials work for the mayor. Housing authority officials more or less told Troupe to stuff it. A barbed preface to his report says that they lied about data, failed to return his phone calls, and withheld documents. In an italics-in-the-original statement, Troupe called their behavior "*entirely unacceptable*," which is what auditors say when they get really mad.

Troupe's audit is just one in a series of reports that tell better horror stories than Stephen King:

► **Occupied apartments**: One way to handle bellyaching tenants is just to ignore them. The authority failed to produce work orders on 56 percent of the maintenance requests *that the property managers wrote down*, Troupe said. No telling how many never get that far. And Troupe had doubts about whether the work orders that were completed produced any work. And we're not talking burned-out light bulbs. In 1987 a federal judge found the complaints included such frills as a lack of heat and hot water. Housing officials, he ruled, "ignored and walked away from their responsibilities to public housing tenants."

After losing hot water for three weeks in 1985, the residents of one project lost cold water too. They carted back buckets from a private apartment building in order to cook and wash. The next year, *The Washington Post* told Eva George's story: In

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1980 maintenance workers removed a radiator from her home, promising to bring a new one in a few days. Three years and no radiator later, a grievance officer ruled that the 13 code violation in George's home threatened her "life, health, and safety." When the *Post* checked on the radiator three years after that, George was still waiting.

Well, as they say, if you don't like it, sue. But tenants have tried that too—Troupe reported that the authority hadn't fixed the faulty wiring in one apartment nine months after a court-imposed deadline. And who knows how long it took to get the case to court.

► **Unoccupied apartments**: Housing authority guidelines say that minor repairs to vacated apartments, such as changing locks or painting the walls, should take no more than seven days; but Troupe reported that maintenance workers in fact took an average of seven-and-a-half months. Repairs involving more substantial work, like fixing broken floors, frequently took two years. Troupe said some apartments went unfixed for as long as eight years. The maintenance department, he said, was in a state of "complete breakdown."

► **Inventory control**: In 1987, the housing authority hired a city policeman to check security in the warehouse. He spent an hour walking around it without security guards noticing and wrote a report concluding he "could have taken just about any property that [he] could carry out of the building." Apparently others have had the same idea. From 1981 to 1983, HUD reported, the city lost track of more than $300,000 worth of appliances. Closed circuit security cameras were installed in the warehouse—and stolen. In 1986, *The Washington Post* quoted comments leaked from a closed housing authority meeting in which the director said she couldn't fully account for $1 million worth of refrigerators and ranges.

► **Follow-up**: So what happens after an epic struggle finally ends in a renovation? Often, nothing. The city spent $128,000 in 1985 to fix up one long-abandoned rowhouse, Troupe reported, but eight months later, it was still empty. He cited "numerous instances" where renovated homes "remain vacant for months after completion," which subjected them "to vandalism and further deterioration."

For a look of our own, *The Washington Monthly* recently picked a random project for a visit. We met Wanda Wilson, who lives with her son at the Greenleaf apartments in southwest Washington. Her large kitchen sink has no legs; a two-by-four keeps it from taking down the kitchen wall. One pipe drips into a waiting bucket, and another simply falls out from time to time. When the woman upstairs does her laundry, she says, water leaks into Wilson's kitchen, so she listens for the machine and makes sure there's no food on the counter.

That's just her kitchen. Part of the bathroom ceiling is corroded, and part is simply missing. Wilson says she hadn't had heat for three years and uses her oven instead. After maintenance workers failed to fix her son's broken window for two years, she says, she broke into the vacant apartment next door, took one, and fixed it herself. "I think it's a lost cause," she says. "To the city, it's like I'm not even here."

Screws and booze

With a record like that, you'd think the District had but a single Mr. Fixit, working his weary way through the city's 2,700 backlogged maintenance requests. But in fact it has plenty of hired help—more, literally, than it knows what to do with. HUD recommends one maintenance man for every 40 apartments; the District has one for every 26. "[T]he number of maintenance workers is more than adequate," stressed the blue ribbon commission report.

So what, then, is the problem? One thing this army of carpenters, plumbers, and custodians needs is a decent general. Instead they've seen more changes of government than postwar Italy, with many top administrative posts being filled by a leader named "Vacant." From 1983 to 1985, the housing authority went through four different administrators, including a six-month period with none at all; two deputy administrators, with the slot empty for 22 months; and four chiefs of management, including a year under an acting manager's direction. During that time, Vacant served as chief of maintenance for 23 straight months.

That's just the beginning of the bureaucratic bafflements. Troupe reported that the authority frequently dispatches its most skilled workers, such as electricians or refrigerator repairmen, to perform its least-skilled repairs—like setting circuit breakers, or pouring Drano into clogged sinks. "You have the wrong people in the wrong places doing the wrong things," says Glenda Sloane, who served as the blue ribbon commission's staff director. "You have skilled people doing yardwork."

Meanwhile, some maintenance workers report to the managers of individual apartment complexes and others report back to central headquarters. This leads both to confusion and "a clash of egos," says Calvin Gurley, the staff assistant for the blue-ribbon subcommittee on maintenance. Typical are fights between the foremen, who are mostly male, and the project managers, who are mostly women.

For all the broken toilets, missing sinks, or unheated apartments, there's one building that gets worked on rather often—the housing authority headquarters at 1133 North Capitol Street. Troupe's review of time sheets revealed that in 1984 and 1985,

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at least *15 percent* of all maintenance workers' time had been spent fixing administrators' offices. And he noted that the authority's work records are so screwed up that many workers' days were unaccounted for, so the actual touch-up of H.Q. may have been more extensive. This demonstration of the bureaucrats' willingness to share the tenants' burdens comes with an ironic footnote: the housing authority doesn't own its administration buildings, another city agency does, and therefore its maintenance staff isn't supposed to work on it at all. But what are friends for?

Not that bringing the troops downtown didn't serve a function. Administrators got to see what it was that the maintenance staff was trying to maintain. "We have a very serious problem with some of our property staff with alcohol and substance abuse histories," said Madeline Petty, the authority's former director, in prepared remarks to her staff in 1985 obtained by the *The Washington Post*. "It is widely reported that on some properties many of the maintenance staff drink or get high on the job. . . .There are instances of maintenance staff be-

It's Not Just Washington

by Katherine Boo

"Go play in traffic" is no joke at the Capitol City Inn, Washington, D.C.'s shelter for homeless families. Lots of the shelter's kids do, hustling quarters by washing the windows of stopped cars. They play on railroad tracks, too, where eastern corridor commuters go whizzing past. In March, after two infants died inside the shelter, the city's human services director suddenly discovered that D.C.'s 1,300 homeless kids were "at risk." But they're not the only ones. Poor kids everywhere who rely on city services face the dangers of bureaucratic apathy and incompetence. The one thing that isn't at risk is the job security of municipal employees. No matter how badly they screw up—or who gets hurt—their paychecks are the safest things around.

The caretaker

On January 14, 1988, Johnnie Smith, his wife, and four children burned to death in a fire at the Desire housing project in New Orleans. Just two weeks earlier, the Housing Authority of New Orleans (HANO) had forfeited $106,000 of a federal grant to install smoke detectors in the high-rise building. Although the money had been awarded a year earlier and there were smoke detectors gathering dust in a downtown warehouse, HANO had failed to find anyone in or out of the authority qualified to screw them in.

When HANO was questioned about the failure by the *New Orleans Times-Picayune*, then-director Jesse Smallwood explained, "I don't want to belabor that we could've or should've. . . .I don't feel anyone should be blamed."

And nobody was. Although Mayor Sidney Barthelemy re-funded the installation project with $110,000 from a surplus account, he conducted no investigation of the lost grant or the death of the Smiths. Although HANO officials say the twice-funded installation project is still "in process," today, more than a year and a half after Desire's smoke detectors arrived at the agency warehouse, a maintenance worker at Desire says, "We're still waiting."

After ten years bouncing around Philadelphia's foster homes, 14-year-old Lillie Mae Ferebee was reunited in 1981 with her father. Unfortunately, William Ferebee, a diagnosed schizophrenic, had just completed a ten-year prison sentence for raping a child. Making the placement decision for Philadelphia Department of Human Services was a half-trained social worker on her first child welfare case. Her supervisor concurred with the judgment.

Three months after the reunion, Lillie Mae's grandmother reported that the father had raped and beaten his daughter. So the same caseworker transferred the child to a new guardian—this time a convicted murderer, who also seemed to have a thing for little girls. Sexually harassed by this caretaker and his relatives, Lillie Mae Ferebee was moved to another home.

In court documents quoted by *The Philadelphia Inquirer*, the social worker defended her decision to place the child with a convicted child rapist. "Well, to be perfectly honest," she testified, "he said he wasn't guilty."

Katherine Boo is an intern at The Washington Monthly.

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You'd think the District had a single Mr. Fixit, working his weary way through the city's 2,700 backlogged maintenance requests. But in fact it has more hired help than it knows what to do with.

ing personally involved with residents and showering those residents with extra maintenance services while other residents go lacking. And, some of these maintenance staff are spending time in these women's units when they should be working." Maybe these are the folks James Taylor had in mind when he sang, "Hey baby, I'm your handy man."

Drugs are one problem; illiteracy is another. One reason so many tenant complaints get ignored, the mayor's commission reported, is that many maintenance workers can't read the complaint forms. And a lack of handyman skills, which tend to be a good thing for handymen to have, is a third: "Much of the staff," the commissioners delicately put it, "lacks requisite skills or training." Alphonso Jackson, the authority's director, put it less delicately. After taking over two years ago, he told the city council that the agency was full of employees "who are not capable of doing their jobs," including boiler room mechanics "creating havoc in our boiler rooms" and a plumber "who knows nothing about plumbing, and he's been here 15 years." Jackson's now applying for a job in Dallas.

At least these shortcomings haven't held anyone back. The 1984 HUD audit found that about 80 percent of the housing authority's 337 maintenance men were "overgraded"—getting an electrician's salary, say, for taking out the trash. One foreman drawing top pay for supervising 27 people actually supervised two. The agency's two exterminators, HUD found, did no pest-control work.

While housing officials issue lots of vows to clean things up, the two words you're least likely to hear are "you're fired." Given union and civil service protections, "it is almost impossible to fire anyone regardless of how incompetent or nonproductive," the mayor's report concluded. Charles Goggins, then the housing authority's chief of maintenance, told the commissioners about a maintenance worker who went AWOL for 1,000 hours. He kept his job. "It was a lack of discipline from the top all the way down," said Sloane, the commission staff director. "It was an environment where people felt, 'You can't fire me, you can't do anything to me.'"

That's not to say that all city maintenance men are drugged-out dodos. Buried in the commission's report, there's a nice story about some of them. Daunted by the difficulty of scheduling a truck from the city motor pool, some maintenance workers used their own cars to move heavy equipment. And they did it without reimbursement for gas or wear-'n'-tear. A few years of toting refrigerators around in their car trunks must leave these people awfully demoralized. But not as demoralized as the residents of the city's cold, crumbling apartments, and the 7,000 people lined up to get in.

Home is where the hose is

While the crisis in D.C. public housing has consigned Lilian Wade to a waiting list, it dumps others into the street. This, in turn, gives the city government the chance to add to the misery of another class of people: the homeless.

Exhibits A and B in this regard are two city-run shelters, Pierce and Blair. Just when it seemed that the wretchedness of the homeless had lost all shock value, Jack Cloherty, a local television reporter, showed that things can always get worse (see Monthly Journalism Award, page 13). Rats, scabies, lice, and urine-soaked mattresses are abundant at the shelters. Showers, sheets, towels, toilet seats and toilet paper are not. Pierce offers four showers for 170 men. Sister Ronnie Daniel, who works at Blair, says that that shelter offers none. But when Cloherty went to have a look, city workers threw him out. Daniel says the staff responded to one shower request by handing a homeless man a hose.

Well, well, money's tight, and in an age of government cutbacks you can't have everything. But the city

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Seven years after that decision, and six months after Lillie Mae Ferebee received a $90,000 settlement from the department in a suit alleging "bungled casework" and "failed city safeguards," the social worker is still handling child placements. "It's none of your business," she told me when asked to comment. An assistant to Joan Reeves, the DHS director, says an internal audit was conducted, but results were not made public. If any malfeasance had been discovered, she assured, a report would have been made to the mayor. But Mayor Wilson Goode's press secretary said, "The mayor never looked into the matter. And I don't know if [the Ferebee] story was ever shown to be accurate." According to reporter Dan Meyers, who wrote the *Inquirer* story with Henry Goldman, the accuracy of the story was never contested. The buck apparently stopped inside the DHS, which at the time of the investigation was headed by Irene Pernsley. In sworn testimony for another lawsuit, then-director Pernsley admitted that she had no familiarity with the qualifications or duties of the social workers under her supervision. "Hands-on" management, she said, was not her style.

Rolling with Sherwin

In Cleveland last spring, a staff assistant in the Department of Parks, Recreation, and Properties decided to have the city's public swimming pools painted before the season opened—a surprise for her boss, the department director. Three highly paid city painters were called to do the job. And they did it, even though the pools previously had been judged not to need full-fledged painting at all. But they took a shortcut: instead of first cleaning the swimming pools, they rolled the Sherwin-Williams over nine months' worth of cigarette butts and broken glass. Only one supervisor noticed, and she decided to keep it to herself. By the second day of the swimming season, 14 pools were closed for draining, stripping, repainting, or other repairs; 11 children were nursing cuts from broken glass. It was the third time in six years that glass had been painted into the pools.

Heads will roll, vowed an indignant Mayor George Voinovich, promising specifically to fire the painters, who make $40,000-$50,000 a year as city employees. The blunder, which wasted hundreds of thousands of gallons of water during last summer's drought, was front-page news in the *Cleveland Plain-Dealer* for a week, as then-senatorial candidate Voinovich flexed his take-charge management style.

The ensuing investigation found 13 people negligent, including the painters, their supervisors, and the parks department head. The punishment? For the assistant who surprised the boss with some painted pools: one day without pay. For the supervisor who noticed glass before the pools opened: one day without pay. For the painters Voinovich promised to fire: reprimands or suspensions of from one to eight days. "The mayor's hands were tied," says Voinovich's spokesperson, blaming civil service rules. Rolling heads? One painter involved in the fiasco retired this year with a comfortable pension; the others are still painting their way through Cleveland.

Up the staircase

Eight-year-old Angel Jackson and her brother Donald lived on the 15th floor of Chicago's Henry Horner projects until January 1987, when a fire broke out in their apartment. To save time, some firefighters, with axes and small extinguishers, usually take the elevator to rescue high-rise residents, while others drag heavy hoses up the stairs. But all the elevators in Henry Horner were broken. By the time Chicago firefighters reached the Jacksons' apartment, the family was dead.

Ten days before the fire, the Chicago Housing Authority had forfeited a $7 million federal grant for remodeling and elevator repair in its projects. In 1987, despite receiving multiple extensions from the feds, the authority's officials reported that they could find no contractor to make the repairs—a full three years after the grant was first awarded.

Several months later, in the Robert Taylor Homes, one child was killed and one child critically injured in separate elevator accidents, and the safety hazards of the city's 145,000 public housing units became a major issue in the 1987 mayoral campaign. But even with the hiring of a new housing director and the shake-up of top management, batting clean-up has proved harder than it seemed. The maintenance staff in charge of elevator repair still has 30,000 backlogged complaints, according to the *Chicago Tribune*, with 10,000 new work orders coming in every month. This summer, the new CHA director accused maintenance staff of tolerating the project's drug trade and extorting sex from residents for repairs; he called his authority "the most cor-

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rupt place I've ever seen." (A month later the *Tribune* reported that he'd hired late Mayor Washington's former adviser and housekeeper as his $45,000-a-year security specialist for the crime- and drug-ridden projects.)

As for safe, working elevators, well, one project will be getting them in 1990. But for the project where the Jacksons died, or any of the other Chicago projects, CHA has no immediate plans.

Lisa and Audrey

Six-year-old Lisa Steinberg was beaten to death last year in New York City. Her adoptive father, Joel Steinberg, was a lawyer; her adoptive mother, Hedda Nussbaum, is a former editor of children's books. By now, everyone's seen photographs of Nussbaum's bruises and Lisa's blank stare. Equally familiar is the story of the city Human Resource Administration's failure to intervene after receiving reports of the family's propensity for violence. (As the case's celebrity grew, Ed Koch, the city's mayor, added 500 new social workers to the agency's staff.)

But you have probably never heard of Audrey Jones, who starved to death in the same city, during the same month that Lisa Steinberg died. At one year old, Audrey Jones weighed 11 pounds—cruising weight for a *two-and-a-half month*-old baby. Months before, the HRA had substantiated six reports that Audrey's mother had abused her children and removed them from her custody. But when Audrey Jones died, she was back in her mother's care.

Like the impoverished victims of bureaucracy in other cities, Audrey Jones inspired no headlines, no live mini-cam reports, no heroic response from politicians. Instead, the bureaucratic chorus continues, whether in New York or Cleveland or New Orleans. No one's to blame, the spokesman said. Procedural problems. Our hands are tied. In none of the cases mentioned above was anyone fired or even transferred for negligence.

For politicians, non-response in cases involving the poor and the powerless has become the best response. As municipally sponsored tragedy becomes commonplace, the family from Desire simply can't compete for attention with the child from Greenwich Village; bureaucrats know that as well as anyone. So it goes, as it has gone before. And with the two-week shelf-life of any given municipal scandal, the costs of next month's fire or murder won't be bureaucratic; more than likely, they'll just be human. □

spends $1.2 *million* a year to run the two shelters. This, as it turns out, may not buy much soap, but it buys a lot of employees—52 of them, in fact. Cloherty reported that Washington's church-run shelters provide a real night's sleep for about half the cost of the city-run squalor. Sheets and towels included. No rats allowed.

Cloherty presented the appropriate officials with the evidence and managed to flush out a bureaucratic response priceless for its adherence to classic lines: "We've been trying as best we can with minor repairs to keep [shelters] up to a minimum standard of safety and comfort," said Virginia Fleming, deputy director for administration at the Department of Human Services.

Not that the city doesn't have standards where private shelters are concerned. Luther Place Church helps run nine different facilities for the homeless, including a medical clinic, emergency shelters, and group homes. The church pastor, John Steinbruck, chaired the D.C. Commission on Homelessness. Last year, city inspectors visited his church shelters and wrote up six pages of violations—citing such dangers to the dispossessed as "walkway has cracks" and "rooming unit not numbered." Steinbruck says it cost the church $10,000 to comply. Perhaps this Clouseau-like application of magnifying glass to church sidewalk is what has delayed city inspectors from arriving at the city-run shelters.

The spending money pocketed by the 52 shelter workers—about $23,000 each if you divide it out—is nothing by the standards of homelessness magnates like Cornelius Pitts. Beginning in 1982, a series of, shall we say, generous city contracts to house homeless families pulled the Pitts Motor Hotel out of deep red and plunged it into abundant, lucrative black. By 1986 annual payments ranging between $1.3 million and $1.5 million had allowed Pitts and his wife to eke out an annual income of $245,000 in salary, benefits, and profits, reported Marianne Szegedy-Maszak in *The Washington Monthly* ["How the Homeless Bought a Rolls for Cornelius Pitts," July/August 1987]. The Pitts contract had a number of marvelous provisions, such as charging the city $97.07 per square foot for office space in a neighborhood of junkies and prostitutes while the city was paying only $15 for prime office space downtown. No wonder Szegedy-Maszak found Pitts tooling around in a $117,000 Rolls Royce and a $61,000 Mercedes-Benz.

The Pitts was less kind to its homeless families, who, city inspectors reported, hunkered down six-to-a-room in the midst of loose plaster, leaks, poor ventilation, holes in the walls and floors, no fire alarms, broken lights, bedbugs, roaches, and other insects. Given this bargain, DHS officials renewed Pitts's contract from 1982 to 1986 without even

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The city parked one of its own cars downtown and forgot about it for nine months, while transients slept inside it. Who says the city doesn't care about the homeless?

bothering to seek other bidders. A church organization down the street from Pitts offered the city better services for about 20 percent of the cost—$500 a month as opposed to $2,748. But DHS wasn't interested. Pitts, who, like most of his clients, is black, says he knows why. "It is difficult for a white business person to care for my people," he told Szegedy-Maszak. "I just don't believe that any white person can be as interested in the welfare of poor black people as a black person."

Pitts's cross-town rival, the Capitol City Inn, does things on a slightly larger scale, picking up $4.3 million a year without even a contract. In 1988 Otis Troupe reported that the motel's food service contractor, in just eight months, had overcharged the city between $500,000 and $750,000.

Given, among other factors, the mismanagement of D.C. public housing, even these two motels can't accommodate all the homeless families in need of city help. So the city spreads the wealth around, paying landlords in D.C.'s poorest neighborhoods prices that would raise eyebrows in Georgetown. In the winter of 1987, the city rented 12 furnished one- and two-bedroom apartments in southeast Washington for $3,078 each a month; unfurnished one-bedrooms in the same neighborhood were renting for about $350. But the landlord did throw in some counseling services (including, one might hope, the counsel to go into business renting apartments to the city). Shopping around, the city managed to whittle down a nearby competitor to the bargain basement price of $2,661. But this time the city's apartment hunters had connections: the building was partly owned by the city's deputy mayor for economic development—a man, it seems, who practices what he preaches.

Bureaucrats on the veld

Given its size alone, there's probably no better sample of the D.C. government than the Department of Human Services. With 9,800 employees and a $1 *billion* budget, DHS accounts for about 25 percent of city spending. It accounts for a good share of city turmoil, too—with four directors in two years, DHS makes the New York Yankees look like a paragon of stable management.

Director Number One, David Rivers, resigned during a federal investigation into contracting irregularities. Director Number Two, Byron Marshall, served in an acting capacity for six months. In the meantime, Marion Barry, a mayor whose passion for efficient government knows no bounds, cast his net wide for someone to put the department back on course. Instead, he got M. Jerome Woods, a California consultant whose earlier stewardship of the California social services department had provoked a legislative investigation into—that's right—contracting irregularities. Woods lasted nine months in the District, until the reporters discovered that he was using city money to buy groceries and pay rent for himself and his top aides. In the wake of

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The department shut down dozens of its offices so that employees could attend a seminar called "The Customer and You—Partners in Service."

the Rivers investigation, that was too much even for Barry (which is saying something) and the mayor fired him.

The condition of the Blair and Pierce shelters gives one hint of the quality of DHS work. D.C. Village, the city's largest nursing home, offers another.

In January 1985, 88-year-old Wilhelmina Franklin froze to death at D.C. Village after getting locked outside on a 25-degree night. Two months later, 71-year-old George Spells was burned to death by scalding water in the shower. Just as revealing as the deaths was the city's reaction: Like Afrikaaners on the veld, the bureaucracy circled the wagons—insuring its own survival if not that of its patients. The city brought in a consultant to quiet the uproar, then bagged her when her recommendations proved too tough. DHS announced an investigation of the deaths that dragged on for almost a year and a half and then exhonerated the nursing home staff. Plus the city sued the victims' families for hundreds of thousands of dollars to recover the cost of the "care."

Among the various adjectives that come to mind concerning the care of Franklin and Spells, "vigilant" does not arise. On the night she died, Franklin was missing from the 9 p.m. bedcheck. No one bothered to look for her. She was still missing at the 11 p.m. bedcheck. Well, let's see, where could she be? Franklin had a habit of wandering outside, *especially in the cold*, but no one bothered to check there. ("Hey, man, it's freezing out—you go.") By and by, they called the cops, who found Franklin's frozen corpse beside her wheelchair, 50 feet from the building. Ahh, so that's where she was!

The staff didn't have to go outside to check on Spells; he traveled right past the nursing station to a shower that nurses *knew* was spewing out scalding water. A month earlier, a maintenance foreman had told them that he couldn't get the part he needed to fix the boiler. They posted warning notices and began giving sponge baths. But Spells, who was confused, incontinent, and senile, continued to try to bathe himself. A measure of the nurses' lookout skills might be found in the fact that they initialed the safe-and-sound box on his medical chart for hours after he'd been rushed to a nearby burn ward, where he died ten days later.

After two negligent deaths in three months, Spells wasn't the only one in hot water. Under fire, DHS officials stalled for time. Promising to discipline those responsible, they began an investigation that ended 17 months later with the conclusion that no one should be punished. Officials explained that sufficiently clear "policy and procedures were not in place."

At the suggestion of an advisory commission impaneled after the deaths, the city hired Sandra Casper, a Wisconsin nursing home consultant, to help set things straight. Casper poked around for a few months and delivered a stinging report. She attacked the facility's hygiene ("dry, caked residue on lips and chins...bloody drainage seeping through her knee sock over the top of her left foot..."). She faulted its supervision ("nurses were

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vague about who was in charge"). She found sanitation lacking ("pest and roach problems are persistent...pesticides...are often unavailable for months...fecal matter found on the floor...a strong smell of urine prevailed throughout the facility..."). She suggested that "TV was on for the staff's benefit, not the residents." And she found continued problems with, of all things, the boiler.

When Casper issued a follow-up report a few months later stating that little had changed, city officials had heard enough. Thank you, they said, and welcome back to Wisconsin. "She was a real embarrassment to them," says Anne Hart, the city's long-term care ombudsman. "They didn't like what she told them, so they got rid of her."

While the city decided it had no beef with the nursing home staff, it was less forgiving of the victims' families. Facing two negligent-death suits, the city sued back for $340,000—its view of what the nursing home care had been worth. City law allows officials to recoup the cost of indigent care if the indigents somehow leave estates—from insurance policies, say. To use the law to recoup damages the city pays for killing its patients was certainly a novel legal twist. City attorneys finally abandoned this approach and settled out of court, paying $85,000 to the Franklins and $98,000 to the Spellses.

That was two years ago. How are things now? In 1987 and 1988, inspectors found unchanged wound dressings, poorly kept records, peeling paint, a leaking ceiling, poorly labeled drugs, roaches, water bugs, and asbestos.

Well, these things take time.

'I lacerated uteruses'

Not every public facility can match the one-two, hot-cold whammy of D.C. Village. But given the way city inspectors enforce the law, they're certainly free to try.

How's this for a year's work? In March, three children died in a rooming house fire; city inspectors had long known of serious fire-code violations, but let the house stay open. In July, a 65-year-old woman in a home for the mentally retarded died after setting a fire in her room; city inspectors had a long list of violations at the home, but let it stay open. Later in the year, police announced they were investigating reports that the owner of a day-care center had raped the pre-schoolers. Guess what? City inspectors had received repeated charges of sexual abuse. And they let the day care center stay open.

There's more.

In the spring, police charged Weldon Ferguson, the operator of a home for the mentally retarded, with sodomizing a client. As you might have guessed, despite complaints of abuse from the patients themselves, the city let the home stay open. But this story comes with a twist: Among the patients was Wayne Smith, whose complaint of sexual abuse was taken so seriously by the city inspectors that they dashed off a letter telling him to call and arrange an interview. "Failure to respond to this letter will result in closure of the complaint," an administrator warned. Smith, who is mentally retarded, doesn't read. The result was "closure of the complaint." And another 22 months passed until a doctor discovered that another patient had been sodomized. Ferguson pled guilty in September to sexual assault. At least six residents of the home say they were sexually abused while city inspectors kept Ferguson in business.

Ready for one more?

In August, an 88-year-old resident of a D.C. boarding house collapsed and died after arriving in an emergency room while covered with maggots and lice; D.C. inspectors had documented the filth at the home but let it stay open. In fact, *three* different city agencies knew about the conditions there, documented them, and then did nothing. A social worker at George Washington University offered reporters this description of Doris Giovannoni's body when it arrived at the emergency room: "She was absolutely filthy, and her body odor was beyond description....She was covered with lice, and her knee-high stockings appeared to be bonded to her skin. When the stockings were removed, in fact, the skin came off with them, and her ankles and feet were infested and covered with large and small maggots eating well into the tissue."

A record like that—five dead and many sodomized—ought to win someone an award. Our nominee is Frances A. Bowie, head of the Service Facility Regulation Administration, which licenses the city's nursing homes, day care centers, dialysis centers, homes for the mentally retarded, abortion clinics, and lots of other places to which vulnerable people turn. The agency's name makes it sound like it runs gas stations. If it did, they'd stress self-service, with a motto telling patients to "help yourself."

This may have been the record-setting year, but city inspectors have been training for a long time. Consider the early-eighties tune-up match against the Yugoslavian abortionist, Milan Vuitch. City files bulged with violations dating back at least to 1980. A sampler: instruments "in need of cleaning" and "lab specimens...refrigerated with food" (1980); patients illegally taken home overnight, use of expired drugs (1981); unlicensed drug distribution and surgical instruments mixed with clean ones (1982); a patient sent home with red urine and a catheter inside her (1982); anesthesia "not freshly prepared and yellowish in color" (1983). Until 1982, the city

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Church-run shelters house the homeless for half the cost of the city shelters. Sheets and towels included. No rats allowed.

kept renewing the clinic's license. After that, with inspectors' reports growing ever more vocal, the agency just let Vuitch operate without one.

Only when Mark Feldstein of Channel 9 aired a graphic series on the clinic in 1984 did the city bureaucracy stir. And even then it didn't stir much. Feldstein, who's building a career on the inanities of the SFRA, presented some of the doctor's handiwork. This included the stories of two women who died on Vuitch's table, and another who said Vuitch operated without anesthesia. Vuitch admitted he sent yet another home after half an abortion and told her to return the next day with an additional $400. She collapsed. Though Vuitch insisted she stay away from a hospital, she finally made it to an emergency room and gave birth to a dying fetus. She was 17 years old and six months pregnant. As a nice touch, Feldstein sent a woman co-worker into the clinic with a vial of *his* urine. The clinic told her she was pregnant and suggested an abortion.

Any lingering doubts about Vuitch's talents were erased when the doctor himself went on camera. "This is not the only lacerated uterus in 15 years," he said. "I lacerated uteruses and other surgeons lacerated. And perforated. And this and that." Asked about the woman who said Vuitch had denied her anesthesia, he answered, "German-origin girl. Very pushy. . . in the old country. . .we never used general anesthesia for abortion. But American woman is sensitive. . .doesn't want to have memories of the surgery."

In response to Feldstein's questions, Bowie's office finally issued a statement. They said they wouldn't renew the clinic's lapsed license for 1983—a nice gesture except that it was November, 1984. Vuitch was still operating at the time of the broadcast, and it took the subsequent public clamor to close him down.

Archive of indifference

In 1985, Margaret Engel of *The Washington Post* reviewed hundreds of SFRA inspections and found that the city had frequently ignored citizen complaints (as Weldon Ferguson's sodomized clients can attest), waived mandatory federal rules, and failed to follow up on documented violations. In 1986, David Clarke, the city council chairman, charged that Bowie had taken *six years* to rewrite drug regulations—abandoning their enforcement in the meantime. "I don't want to be crass," Clarke said, "but what took six years?" Perhaps part of the answer can be found in events such as a 1986 seminar for the employees of the Department of Consumer and Regulatory Affairs, of which the SFRA is a part. The department shut down dozens of its offices so that 140 of DCRA's 840-member staff could attend a seminar called "The Customer and You—Partners in Service."

But if the inspectors are a little hard for the public to reach, they've been perfectly accommodating toward the nursing homes—offering advance notice of inspections and a chance to do some sprucing up.

A 1985 Mark Feldstein series on three troubled homes owned by self-described multimillionaire Joan Sutton explained how this works. Inspection Day brought new food: "They fix 'em deviled eggs. . . ," said one former employee. "You don't see no deviled eggs unless inspectors come through." It brought new furniture: "Things would be brought

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right at inspection time, and they would be collected right up after the inspectors left," said another. It even brought new patients: "Residents were removed. . . because they didn't look good," said a third employee. "They might be fat, sloppy, kind of ugly, unkempt, had a big mouth, liked to talk, liked to complain."

"That's all our people," said Sutton, denying this was anything special.

Sutton places were back in the news this summer after 65-year-old Sylvia Singer died in a fire. The home she died in, Sutton's Caldwell House, became a target of attack by neighborhood groups, who said the patients walked the streets half-naked, begging for money. Ever-vigilant, the city inspection office decided to have a look.

A good place to begin would have been the inspectors' own files, which contained documented complaints about the home dating back to 1980. A former Caldwell House supervisor wrote inspectors in 1986 that he had "observed some residents urinating and defecating on themselves, . . . residents eating cigarette butts, trash out of the trash can, eating their own feces." In 1985, Feldstein reported that city inspectors had documented 397 violations at Sutton homes in five years. Feldstein's hidden camera filmed patients smoking dope in their rooms and unlicensed workers giving out powerful psychotropic drugs.

Bowie conceded the homes had had a few problems but argued they "were not serious enough to pose immediate danger to the health and safety of residents there." Feldstein pressed on, quoting from a report from a different city agency that Sutton patients were losing weight from bad food and that two had died mysteriously. The report had sat in Bowie's office for nearly a year.

The subsequent on-camera exchange belongs in an archive of bureaucratic indifference:

"I'll have to read that report in detail," Bowie said.

"Don't you think allegations of that serious nature should be investigated thoroughly at the time they're turned over?" Feldstein asked.

"I'll have to read that report in detail," Bowie said.

"Are you concerned that your department had this information nearly a year and didn't act on it?" Feldstein asked.

Bowie laughed. "I am concerned about a number of things," she said.

"What did your people do about this when they got the report?" Feldstein asked.

"I will address that issue at another time," Bowie said.

"Why were you not informed what was going on with this 21-page investigative report?" Feldstein asked.

"I will have to address this with the appropriate individuals," Bowie explained.

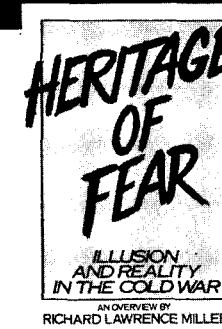
Though my attempts to speak to Bowie were unsuccessful, I did get to talk to two other DCRA officials, and I asked them if the recent deaths and sexual molestations indicated a pattern of lax enforcement. No way, said Lucenia Dunn, a public information officer. She stressed that DCRA is "an innovative, action-oriented department." Its motto is "People Working With People for People," she said. "We take that very seriously."

Bowie's a bureaucratic survivor. She's managed to hang on as inspection chief for seven years, which must make her one of the city's most enduring officials. But her former boss, Carol Thompson, who headed DCRA for three years until 1986, did her one better. Her years as the city's top inspector earned her a promotion, first to deputy mayor and now to city administrator, a $77,500 job as the District's top bureaucrat.

"Her energy level is legendary," the *Post* recently enthused. Why, she even gave city inspectors copies of *In Search of Excellence*! "Thompson," the *Post* concluded, "wants to change the widely held view that the District government is inefficient."

Thompson's expanded responsibilities include supervising the city's ambulances and public housing—suitable places to search for more excellence. □

IS U.S. FOREIGN POLICY BASED ON FEAR?



Focusing on the theme of military aggression, HERITAGE OF FEAR: *Illusion and Reality on the Cold War* by noted historian Richard Lawrence Miller, surveys the Communist movement from its origins to the present, arguing that American fear of an onrushing Red Juggernaut bent on destroying Western democracy is not, and never has been, based on reality.

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TIDBITS AND OUTRAGES

"HEY, FRED, WE CAME IN UNDER BUDGET!"
In Jacksonville, Florida, a $34 million contract to build a new prison omitted money for doors.

TYPECASTING IN HOLLYWOOD
A recent ad in the *Los Angeles Times* read: "*Times* Obituary Information. Call Miss Black for understanding and helpful service on Obituary Notes."

HE CRIES ALL THE WAY TO THE BANK
Han Young Ja, president of Sam Young Chemical, a tear gas manufacturer, earned more money than anyone else in South Korea last year.

JOAN BAEZ IS PLAYING A BENEFIT
Norma Jean Almodovar, a prostitute incarcerated in a California prison, has applied to Amnesty International to declare her a prisoner of conscience.

EPISCOPALIANS GET THE PENTHOUSE
In Wilmington, Delware, Rev. Ronald Nevin is proposing that the city's congregations could save money by building a high-rise church with one floor for each denomination.

SURPRISE
In November, President Reagan received the "final report" of the president's Committee on the Arts and Humanities. It recommended that the committee be continued.

IT MAKES A GREAT SPRITZER
Supermarkets in New York City are selling bottled water for dogs called Canine Quencher, "the only water your dog ever needs to drink."

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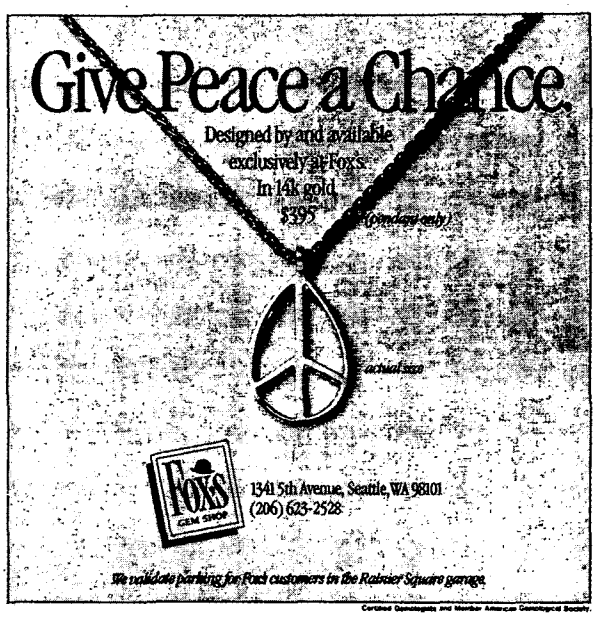

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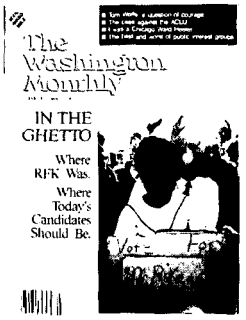

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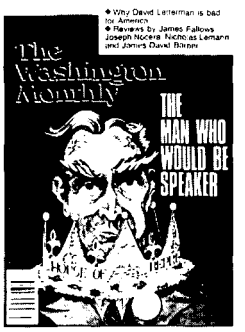

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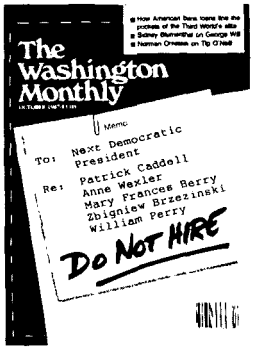

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WHO'S WHO

Insiders from the **George Bush** campaign credit three people, two of whom are virtual unknowns, for the three most crucial actions in the campaign. The Boston Harbor media event was staged by **Ron Kaufman**. The use of **Willie Horton** was the inspiration of **Jim Pinkerton**. And the person who relaxed Bush before the latter's victory in the second debate was **Roger Ailes**, who also managed to make **Michael Dukakis** angry by signaling from the Bush side of the stage to the Dukakis side, just before the debaters walked onto the stage that he knew the Democrats had secretly planted a height booster behind the Duke's podium....

Another person who deserves credit for the revolving-door commercial is **Dennis Frankenberry**, a Milwaukee advertising executive, who helped create it. Curiously enough, Frankenbury himself, according to **Richard Gonzales** of National Public Radio, had been the beneficiary of a work-release program after being convicted of hit-and-run drunk driving, in a case in which one of his victims suffered brain damage....

Dan Quayle's Senate staff members are upset. As of mid-December, none had been offered jobs in the new administration. As one observed: "It's horrible this being in the dark.... I thought we won." What seems to be happening is that the Bush people are telling Quayle whom to hire. Quayle's official representative at Bush headquarters is **Fred Fielding**, who is much more a Bush than a Quayle man. And the first announced Quayle appointment, **David Beckwith** as press secretary, was a Bush friend named despite Quayle's protest....

A trusted friend of ours reports that one Saturday last month, as a gesture to domestic harmony, he repaired to the Chevy Chase Lounge to watch sports on television. Competing for his attention was the sight of two interesting, if not regular, patrons, **Meg Greenfield** and **George Will**, who were seated in the rear. They were joined shortly by **Charles Krauthammer**. The pundits' corner was then graced by the addition of two more unusual patrons who entered in the most unusual of ways (through the back door)—Dan and **Marilyn Quayle**.

Now for some practical help for our readers who are interested in joining the new administration. Send your resumes to: **Patricia M. Kearney** for a job in the Department of Agriculture, **Carol W. Ford** for Commerce, **B. Reid Detchon** for Energy, **Richard W. Porter** for Labor, **Antonio Lopez** for Veterans Affairs, **Margaret D. Garikes** for Health and Human Services, **Michael Marino** for Housing and Urban Development, **Michael M. Uhlmann** for Justice, **Lynette B. Lenard** for Interior, **D. Robert Quartel Jr.** for Transportation, and **Lewis S.W. Crampton** for the Environmental Protection Agency. Write Office of the President-Elect, 1825 Connecticut Ave N.W., Washington, D.C. 20009.

But it is wise to remember that final decisions on important jobs are made by a committee consisting of **Robert M. Teeter**, **James A. Baker III**, **Nicholas F. Brady**, **John H. Sununu**, **Craig Fuller** (yes, he still has some power in the transition), George Bush himself, and **Chase Untermeyer**, who is called personnel director of the transition, but who serves more as recording secretary of this group rather than as a full-fledged member....

One of the great Washington games is trying to figure out which administration figures are leaking to which reporters. Early signs can be clues to long-range patterns as was the case with the relationship of **Michael Deaver** and **Lou Cannon** of *The Washington Post* during the 1980 campaign, which continued through Reagan's first term. One early clue as to the leaks in the Bush camp and the leakers in the press was a story the *Post* ran on page one on November 12 with the headline, "Fuller, Teeter, Sununu Eyed as Top Bush Team—Trio Would Run White House Operations." The suspected leakers were James Baker and **Richard Darman**, who did not want Sununu to assume power alone. The reporters were **David Hoffman** and **Ann Devroy**. The story, of course, turned out to be wrong....

Reagan Administration: In—*Energy:* Assistant Secretary for Conservation and Renewable Energy—**John R. Berg.** *Interior:* Assistant Secretary for Fish and Wildlife—**Becky Norton Dunlop.** *Labor:* Assistant Secretary, Mine Safety and Health Administration—**David C. O'Neal.**

Bush Administration: In—*White House:* Chief of Staff—**John H. Sununu.** Press Secretary—**Marlin Fitzwater.** National Security Adviser—**Brent Scowcroft.** White House Counsel—**C. Boyden Gray.** Special Trade Representative—**Carla Hills.** Chairman, Council of Economic Advisers—**Michael Boskin.** Office of Management and Budget—**Richard Darman.** *Agriculture:* Secretary—**Clayton Yeutter.** *Commerce:* Secretary—**Robert Mosbacher.** *Defense:* Secretary—**John G. Tower.** *Education:* Secretary—**Lauro Cavazos.** *Housing and Urban Development:* Secretary—**Jack F. Kemp.** *State:* Secretary—**James A. Baker III.** Ambassador to the United Nations—**Thomas Pickering.** *Treasury:* Secretary—**Nicholas F. Brady.** *Agencies and Commissions:* Director, Central Intelligence Agency—**William Webster.**

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ON POLITICAL BOOKS

You Little Tort

We clog the courts with crazy liability cases while the real crooks get off

by Daniel Farber

Richard Neely sits on the supreme court of West Virginia. This is how he describes his job: "As a state court judge, much of my time is devoted to designing elaborate new ways to make business pay for everyone else's bad luck. I may not always congratulate myself at the end of the day on the brilliance of my legal reasoning, but when I do such things as allow a paraplegic to collect a few hundred thousand dollars from the Michelin Tire Company—thanks to a one-car crash of unexplainable cause—I at least sleep well at night. Michelin will somehow survive (and if they don't, only the French will care), but my disabled constituent won't make it the rest of her life without Michelin's money."

This passage tells you a lot about Judge Neely's latest book, *The Products Liability Mess*.* The style is brash but disarming. Here are some other Neely gems: "Jesse Jackson is interesting but not powerful; courts are powerful but not interesting." "Senior partners in large firms make money buying young lawyers at wholesale and selling them at retail." "Horse riding is the ideal sport for politicians because at its heart is the skill of convincing the horse to do all the work." As one of the blurbs on the dust jacket says, "It is difficult not to like Judge Richard Neely. . . his blend of learning, irreverence, candor, and common sense would be hard to resist."

One of the reasons Neely is so disarming is that his candor stops short of cynicism. In the Michelin case, he admits to bending the legal rules to help a constituent, with the rueful implication that he's willing to be a bit unprincipled for political reasons. But it's not merely political, because his constituent really *is* destitute, and no one else is willing to help. So he may be a bit of a rogue, we infer, but he's a rogue with a golden heart. How can you help but like the Robin Hood of the state courts?

While it displays Neely's engaging style, the Michelin story also exemplifies his thesis. Neely argues that products liability law has gotten out of hand because of the incentives for state court judges to help out hometown plaintiffs at the expense of out-of-state manufacturers. Like most "beggar thy neighbor" strategies, this one can end up hurting everyone, because the resulting legal rules may ignore the legitimate needs of business. To solve this problem, he calls upon the United States Supreme Court to start reviewing state court decisions in products liability cases. Only the Supreme Court, he suggests, can prevent the state courts from exploiting out-of-state companies.

Most of Neely's attention is devoted to this reform proposal. Before worrying about reform, however, it's important to understand the problems with current law, which is at once too harsh on some companies, too lenient with others, and much too expensive and cumbersome.

Plain tiffs

Products liability dates from the 1960s, when the courts turned "let the buyer beware" on its head. The theory now is that consumers are entitled to assume that products are safely designed and properly manufactured. Businesses are increasingly beleaguered by lawsuits. Their concerns may be exaggerated, but they do have some foundation. There has been a steady expansion in the scope of liability, and defenses have become harder to establish. According to one study, about 13,500 products liability suits were filed in federal court in 1986, as opposed to 1,500 in 1974. Is the system working better to hold corporations properly accountable? Or have the courts run amok?

Neely's answer is rather guarded. On the one hand, he does believe that products liability has increased consumer safety by deterring unsafe conduct. He tells a long, amusing story about French

Daniel Farber is the Henry J. Fletcher Professor of Law at the University of Minnesota.

**The Products Liability Mess: How Business Can Be Rescued from State Court Politics.* Richard Neely. *Free Press, $24.95.*

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and American horse owners. The Americans can't afford to have riding stables because the insurance is too costly; the French take no precautions against injury because they don't care who gets hurt. Neely concludes that "we are wrong to have a liability law that is so plaintiff-oriented that it makes it nearly impossible for riding schools to operate. Yet I also find that France is a needlessly dangerous society." On the whole, he still thinks that business should be responsible for dangerous products; the problem with product liability law is "the tendency to carry a good thing too far."

It might be more accurate to say that in some ways the law has carried a good thing too far and in other ways not nearly far enough. It's not hard to find examples of socially beneficial activities needlessly hampered by excessive liability. The vaccine situation is a classic example, which Neely discusses in passing. Vaccination has been one of the great success stories of the twentieth century. In 35 years, polio cases dropped from 57,000 a year to four; in 50 years, whooping cough deaths dropped from 7,500 a year to four. Despite this phenomenal success, state courts upheld large verdicts against drug companies when juries concluded either that warnings to patients of dangerous side effects of certain vaccines were not sufficiently detailed or that some other vaccine would have been preferable. As a result of the threat of liability, the availability of vaccines in the United States was threatened. In 1986, Congress responded with legislation intended to protect the industry from excessive liability. Without federal legislation, large-scale vaccination programs might not be possible in this country.

The vaccine story points out one of the weaknesses of the products liability system. The injured plaintiff is in court for everyone to see. The lives saved by the vaccine are invisible. So the natural human tendency is to help out the poor injured plaintiff, while ignoring the effect of the decision on those who are benefiting from vaccination. The dramatic private harm obscures the quieter but larger social benefits.

The vaccine example shows how products liability law can endanger socially beneficial activities. The tobacco cases, however, demonstrate how the law turns a blind eye to major public health hazards. According to the Public Health Service, smoking kills 350,000 Americans every year—seven times the number who die in car crashes and many times the number of AIDS cases reported to date. Yet, only one plaintiff has ever succeeded in recovering damages from a cigarette company, and the damages were so limited that the cigarette industry considered the case a victory. Something is badly amiss in a legal system that is capable of driving essential medicines off the market while ignoring the greatest public health hazard of our time.

The current legal immunity of the tobacco industry is wrong. Smokers are considered responsible for their own illnesses because they knew—or should have known—that cigarettes are hazardous. The reality is that most smokers begin before they are 16 and are addicted by the time they reach adulthood. So smoking can't be said to reflect a rational individual choice. The cigarette companies' virtual immunity from liability sends the message that selling a dangerous, addictive drug is socially approved behavior.

Product liability cases run the gamut from vaccine cases, where there probably should be no liability, to the cigarette cases, where the tort system has failed to come to grips with an enormous public health hazard. In between we find the great mass of everyday products cases. Some scholars believe that in these cases current law provides consumers with excessive insurance: they are covered for product-related injuries but have to pay a higher price for the product to cover the "premium," and are actually getting more insurance than they would really want to buy if they had a choice. These scholars have devoted a great deal of effort to correcting this fault, but to my mind the possibility that consumers are paying for a little "excess" insurance hardly ranks as a major social problem.

This doesn't mean that products liability law works faultlessly. There is a real problem in the system that processes injury claims. A RAND Corporation study estimated that in 1985 Americans spent more than $16 billion on tort litigation. This is almost as much as the total compensation victims ultimately received. According to a study by ALI (a prestigious association of judges and lawyers), "victims receive only between 50 percent and as little as 25 percent of the total amounts expended by society to decide tort disputes and compensate victims."

These figures are appalling. By comparison, Pentagon procurement is a model of efficiency. Even if these estimates turn out to be too high, it is obvious that we are spending vast sums that benefit neither industry nor accident victims.

Where does the rest of the money go? Take a guess. According to the same ALI study, "most of the balance goes to lawyers." At least one prominent law professor has suggested that the system actually is designed to maximize the payout to lawyers. This is too cynical. Rather, products liability is probably a good example of the expense of trying to do perfect justice in every individual case. Hand-tailoring is a lot more expensive than mass production. What we need, in the interests of the accident victims themselves, is a mass production system that will deliver compensation cheaply, so that more money will go to victims and less to lawyers.

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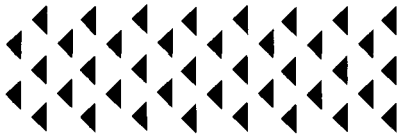

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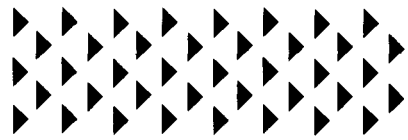

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A cheaper compensation system must have two attributes. First, it should have simple, clear rules governing liability and damages. Second, it should have streamlined procedures for applying these rules. The task of designing such a system does not exceed the ingenuity of the human mind. Indeed, a number of promising proposals already have been made.

You better shop around

Judge Neely himself makes an interesting reform proposal to the effect that no punitive damages should be awarded when the defendant has made a prompt, fair settlement offer. (He would make an exception, however, if the plaintiff can provide clear proof that the defendant deliberately endangered the public.) This rule would help plaintiffs, since it would speed up compensation, as well as helping defendants, for whom it would eliminate much of the uncertainty associated with punitive damages.

This brings us back to the main topic of the book. Neely doubts that his colleagues have any incentive to reform tort law, so he wants the federal courts to intervene. He sometimes seems quite cynical about the judicial role: "As long as I am allowed to redistribute wealth from out-of-state companies to injured in-state plaintiffs, I shall continue to do so. Not only is my sleep enhanced when I give somebody else's money away, but so is my job security, because the in-state plaintiffs, their families, and their friends will reelect me." But Neely himself is obviously more principled than that, and he really isn't that cynical about the motivations of most judges. Good judges, he says, "listen open-mindedly to other points of view" while trying to "achieve their vision of the just social contract."

Judge Neely thinks the federal courts should play a much bigger role in developing liability rules, which the states should be required to follow. Why attack the problem at the federal level? The answer, according to Neely, is that no individual state can afford to take the lead in tort reform. A state benefits from having very liberal liability rules, since most of the expense falls directly on out-of-state manufacturers and indirectly on out-of-state consumers. There is something to this argument, though it's a bit overstated, since a company may be headquartered elsewhere but still have local clout.

If federal intervention is needed, you may wonder, why does Neely choose the federal courts rather than Congress? Neely is pessimistic about Congress, which he thinks would be likely to botch the job because of the complexities of tort litigation. Individual legal rules can't operate in a vacuum. Inflated damages for pain and suffering may actually compensate plaintiffs for large attorneys' fees. The threat of draconian punitive damages may be needed to deter defendants from delaying trials indefinitely. Judge Neely doubts that Congress will understand these interrelations. He may be right, but it seems equally unlikely to me that the justices on the U.S. Supreme Court are any more knowledgeable in such matters. They're a long way from life in the litigation trenches.

Judge Neely also suggests that Congress will try to lay down too many detailed rules, which will then be difficult to change if they don't work out. One solution might be for Congress to attack the problem indirectly by creating incentives for states to reform their own liability rules or by using tax rules to change the dynamics of the litigation process. I'm not convinced that a legislative solution is impossible.

Neely's book has gotten a warm reception from the business press. Even before it was published it was the subject of laudatory reviews in *Forbes* and *Fortune*. These reviewers liked Neely's disenchanted view of the status quo. Predictably, they were much less taken with his solution. Most conservatives, after spending years arguing in favor of states' rights and judicial restraint, have a little trouble with the idea that the best way to cure a tough problem is to hand it over to the Supreme Court. Liberals, on the other hand, won't object so much to Neely's treatment as to his diagnosis: they're unlikely to think that products liability is such a mess anyway. In short, conservatives will agree with Neely's diagnosis but reject his cure, while liberals will reject the diagnosis itself.

Given these political realities, I doubt that Neely's proposal will be adopted. On the other hand, if he succeeds in making the Supreme Court more skeptical of the motives underlying state tort law, some smaller changes in Supreme Court doctrine may result. For example, the Court might do more to limit the ability of plaintiffs to "forum shop" for a state with the most favorable legal rules, even if that state has no real connection with the accident. More importantly, his book may help to get products liability on the national political agenda.

The huge administrative costs of the present system create a political opportunity for reform that would benefit consumers, insurance companies, and manufacturers, at the expense of trial lawyers and other beneficiaries of the litigation system. A consumer/business alliance against the lawyers has some obvious PR appeal. Admittedly, the Naderites and the Chamber of Commerce might find each other uncomfortable allies. But the stakes are high. There are billions of dollars in cost-savings that could be divided among accident victims and businesses. Some clever politician ought to be able to exploit that potential to put together a winning coalition. □

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A Political Pageant of the Reagan Era

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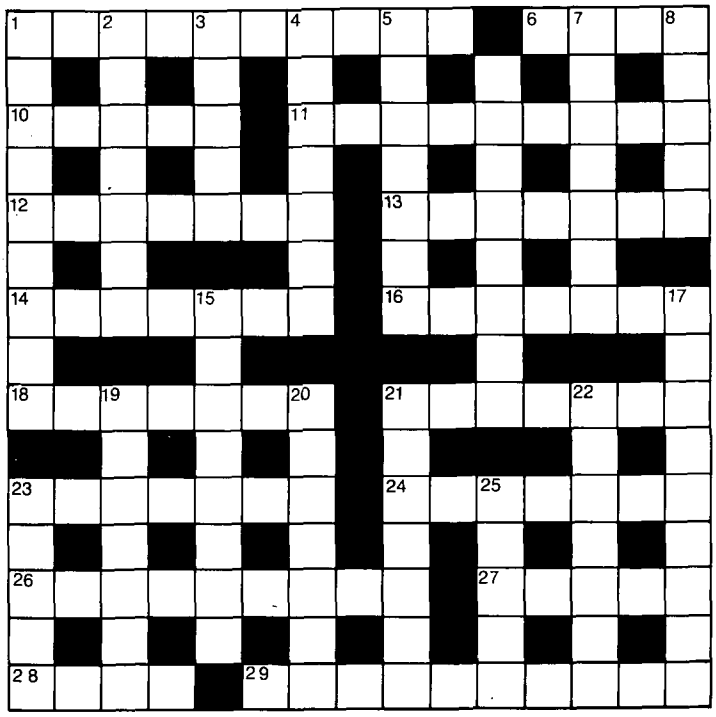
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g. USA, are treated as one word.



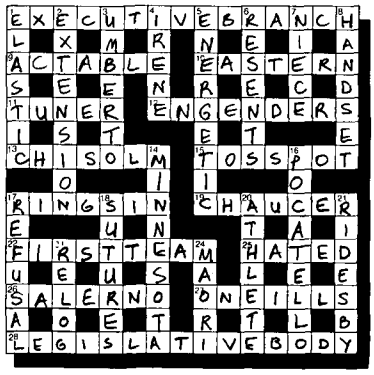
ACROSS

1. Artful shoe bugger in position of leadership. (6,4)
6. Mountain fork returning for turn at table. (4)
10. Show last native returning. (5)
11. Untapped oil vein at eruption. (9)
12. Stung, Ted lent composition. (7)
13. Pay point in dispatch. (7)
14. Accommodate 52 near transportation company. (7)
16. Curing rat pelt nonsense. (7)
18. Young animal designed bun coil. (4,3)
21. Graduated pet sped around. (7)
23. Pisa ode about animal fat. (7)
24. Praised delicately the loss of all hope. (7)
26. Kin hearing story? (7,2)
27. A cone reshaped a lot. (5)
28. Smart local gyms, we hear. (4)
29. How I use the arrangement to put 1 Across in his new place. (5,5)

DOWN

1. Endlessly malingered in new way to escape raid. (5,4)
2. One skipping Met trio rehearsal. (7)
3. Rang up over fifty to twist. (5)
4. Streaked animal putting restraint around last of aspirin. (7)
5. Cat climbs around short street and holds back. (5,2)
7. Most meager Latin senate assembled. (7)
8. Give up idly wandering around the East. (5)
9. Artifically made into master. (8)
15. Beginning to misspell 1-H. (8)
17. Strength somehow due canner. (9)
19. Mineral deposits around oil mixture for the birds. (7)
20. Hard bet placed for dimension. (7)
21. No duties assigned for volley ball stage. (4,3)
22. Paul ate judiciously for unchanging figure. (7)
23. Weapon protected in nuclear rowdiness. (5)
25. Sin in eighth compartment? (5)

Answers to last month's puzzle:



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POLITICAL BOOKNOTES

Day of Reckoning: The Consequences of American Economic Policy Under Reagan and After. Benjamin M. Friedman. *Random House, $19.95.* **On Borrowed Time: How the Growth in Entitlements Spending Threatens America's Future.** Peter G. Peterson, Neil Howe. *ICS Press, $24.75.* **Rendezvous with Reality: The American Economy after Reagan.** Murray Weidenbaum. *Basic Books, $19.95.*

It's no surprise that many Americans have given up worrying about budget deficits. After all, the economic Cassandras who warned of their dire effects in the early 1980s turned out to be dismally wrong.

In 1981, for instance, a host of economists told us that deficits cause inflation. The following year, inflation collapsed, despite the biggest deficit in American history. Then in 1982 they told us deficits would stifle the expansion. Within months, the economy began its recovery at a spectacular pace. Ever agile, the prophets of budget doom argued deficits would cause the economy to overheat and quickly lead to another recession. Today, almost six years into the longest peacetime expansion on record, that warning also rings hollow. Most Americans may still believe that deficits matter, but they've lost all faith in the economics profession to tell them how.

That's too bad. Because finally, a consensus has emerged among mainstream economists that provides a convincing view of the deficit's dangers. The new story is more modest than before, and therefore more credible. Its basic point is this: Budget deficits may or may not lead to inflation or recession. But deficits certainly lead to debt. And sooner or later, one way or another, debt must be repaid.

The consensus is reflected in three new books by prominent economists, each of whom comes from a different point on the political spectrum. Benjamin Friedman, a Harvard professor, is relentlessly anti-Reagan. Peter Peterson, investment banker and former Nixon administration official, attempts to hold himself above partisan politics and parcels out blame to Reagan and his rivals alike. And Murray Weidenbaum, former chief economic adviser to President Reagan, does his part to defend his former boss. But all three adopt a common theme whose nature is readily apparent in their foreboding titles: *Day of Reckoning, On Borrowed Time,* and *Rendezvous with Reality.*

Friedman's *Day of Reckoning* is especially unforgiving in its critique of Reagan's policies. Those policies were not just wrong, in Friedman's view; they "violated the basic moral principle that bound each generation of Americans to the next since the founding of the republic: that men and women should work and eat, earn and spend, both privately and collectively, so that their children and their children's children would inherit a better world."

But there is more to this book than indignation. Friedman has a story to tell, and he tells it convincingly, with numbers to back it up. Enormous budget deficits have soaked up most of the nation's pool of savings, he argues, leaving little for private businesses that wish to invest. Starved for savings, the nation has been forced to borrow from abroad.

The reader may ask: Didn't the U.S. accumulate foreign debt throughout its industrial development in the late 1800s? True enough, Friedman responds. But the money was invested in plants and equipment that increased the nation's ability to produce, grow, and pay off its debts. The level of investment in the 1980s, on the other hand, has "fallen beneath that of any previous sustained period since World War II." The results:

► American standards of living will stagnate, as the nation is forced to divert more and more of its resources to servicing foreign debt. "We are not borrowing against the future earning power of our new industries, for there are none," Friedman says. "We are simply mortgaging our future living standard."

► Foreign ownership of U.S. businesses and U.S. real estate will continue to rise rapidly. "Like a family that owns a house and a car, and some stocks too," the U.S. "can keep excess consumption going longer by selling these assets off one by one," Friedman says. But "becoming a nation of tenants rather than owners will jar sharply against our traditional self-perception."

► U.S. power in the world will decline. "World power and influence have historically accrued to creditor countries," he writes. America's slump into debtor status "cannot help but alter America's international role."

Friedman's vision of the future may be unduly apocalyptic, and he overlooks the fact that under Reagan both inflation *and* unemployment were reduced—something the president's critics thought would be impossible.

Nevertheless, the core of Friedman's argument, if not his conclusions and his searing tone, is largely shared by Peterson and Weidenbaum as well. They don't give Reagan all the blame, but they raise the same troublesome questions about the nation's commitment to its future.

But while these three men agree on the problem, they disagree over the solution. The budget deficit must be eliminated, but how?

Friedman says taxes. "It is increasingly clear that Americans want the level of government activity that we have and that we can afford that level," he writes. "The question now should be how to pay for it."

Yet what's clear to Friedman isn't at all clear to Peterson and Weidenbaum. Peterson's book documents in frightening detail the explosive growth in Social Security and Medicare spending that will come in future years as the result of a convergence of various trends: an aging population, a declining fertility rate, increasingly expensive health care, and increasingly early retirement. Any attempt to pay for that with taxes, he insists, would lead to "a taxpayers' revolt of unprecedented proportions." Instead, the only answer is to cut Social Security, Medicare, and other

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"middle-class entitlements."

Weidenbaum shares Peterson's views on taxes, agrees on the need for cutting entitlements, and also suggests an attack on a handful of non-entitlement programs—the space shuttle program, foreign aid to Middle Eastern countries—and the elimination of food stamps.

Here, then, is the stuff that should fuel a great national debate. Not *whether* to cut the deficit, but *how*. Imagine a Democratic presidential candidate who had laid out a plan to close the budget gap with higher gasoline taxes, higher cigarette taxes, and a modest rise in the top tax rate; and imagine a GOP contender who had said the only answer is to cut back Social Security and Medicare for the affluent elderly. There would have been great wrenching and screaming, angry claims followed by angry counterclaims. And when it was all over our nation's politicians might have had some notion of what the public really wanted them to do.

Unfortunately, that's not the way it worked. Both candidates gave vague lip service to the deficit, but neither acknowledged the choices that must be made to tackle it.

—*Alan Murray*

Countdown. Frank Borman. *Morrow, $19.95.* What goes up must come down. That's a brief Newtonian synopsis of *Countdown*, an autobiography of Frank Borman, the man who guided the Apollo 8 mission around the moon, and then, as the CEO of Eastern Airlines, steered the troubled carrier into a crash landing—when a collision course with Eastern's unions forced the sale of the company to the airline raider, Frank Lorenzo.

The up side of the story is the stuff of which American myths are made. The only son of a gas-station operator becomes a pilot so skilled that he is tapped to lead the first spaceship around the moon. But *Countdown* tells of Borman's fall with much less honesty than his rise, and it contains an unintended moral: outer space may not be the best place to learn how to run a company.

The book is the latest in a series of joint-venture autobiographies. Like most of his kind, Mr. Borman's co-author, Robert Serling, is paid to make his subject look good. In so doing, he renders the odyssey from gas pump to lunar orbit to Eastern shuttle with folksy similes and the glib PR patter that makes everything sound like a press release. (Mr. Serling, whose brother Rod created TV's "Twilight Zone," had already written the official history of Eastern Airlines, *The Captain and the Colonel*, which, like *Countdown*, too often dresses up the truth until it's close to fiction.)

Plenty of the real Borman comes through, however. He's a feisty character who goes after his enemies like Jake LaMotta. Give Borman credit for this: He jabs at just about everybody—from Carl Sagan and Chuck Yeager to Michael Dukakis and the Columbia students who pelted him with marshmallows during a speaking tour. With the exception of his wife Susan, Richard Nixon, and a few others, Colonel Borman fingers enough "nerds," "phonies," and "dumb bastards" to fill a convention hall. On the other hand, judging from his long and loving descriptions of airplanes, from T-33s to A-300s and 757s, Borman never met a machine he didn't like. (Indeed, he liked them so much that he went on a plane-buying spree at Eastern that, some say, permanently saddled the company with debt it could not afford.)

The NASA years are chronicled in great detail, and space junkies will find much in those sections to interest them. For myself, I am perversely drawn to the saga of Eastern Airlines. Ridiculed for years by discontented passengers, and still the battleground for one of the most bitter and destructive labor-management wars in recent memory, Eastern somehow managed, in 1984 and 1985, to invent one of America's most far-reaching programs of worker ownership and labor-management cooperation. As CEO, Borman saw the best and worst of that tortured company. In *Countdown*, I was looking for clues in Borman's NASA career that would let me better understand Borman the executive.

There's no question that Borman had "the right stuff" for an astronaut. Whether in a T-33 or an Apollo 8 capsule, Borman displays what he calls

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the "kind of gut instinct that comes from having cheated death a few hundred times."

But "cheating death" was not what the employees of Eastern had in mind. They wanted corporate stability and steady paychecks. When the 1978 deregulation of the U.S. airline industry made that impossible, they soon wondered whether their fighter pilot CEO was recklessly steering them from one financial crisis to the next. The stage was set for a series of conflicts over wage concessions that ultimately cost Borman his company.

Borman's solution was what he called "the most innovative, daring experiment in the history of labor relations: the Variable Earnings Program." In profitable years, employees got more; in unprofitable years, they got less. Since the company rarely showed a profit, employees mostly got less. What Borman called a "radical departure," the employees dubbed the "Veritable Extortion Plan." Both sides retreated to the trenches and Eastern was caught in the crossfire.

A few years later, in 1983, as Eastern teetered on the brink of bankruptcy, labor and management did discover a truly "radical" and "innovative" plan to save the company. Employees traded massive wage cuts and pledges to boost productivity for 25 percent of the company stock, seats on the board of directors, and a say in how the company was to be run, from the shop floor to the executive suite.

I met Borman in 1985, while I was doing a story on this fabled "experiment" in power-sharing. My impression of him then—a short-fused military man who understood personal sacrifice and corporate risk better than the slow work of building a company—is borne out by his book. Try to build a consensus with one of Borman's favorite mottos: "If you don't like what I'm doing, then get the hell out of my way cause it has to be done."

Sharing sacrifice was never a problem for Borman. This was a man who endured the "beast barracks" at West Point, the pain of NASA's human experiments, and the peculiar torture of hurtling through space in a sweltering metal box the size of the front seat of a VW Beetle. When he arrived at Eastern, he cut executive pay scales, abolished executive perks, helped the troops load baggage, and drove to work in a second-hand Chevy.

Sharing sacrifice was one thing, but sharing power was quite another. As a military man, known affectionately as "the colonel," Borman never warmed to the idea of calling his troops together and listening to their suggestions on how to take the next hill.

In an age when the nature of the workplace is being hotly debated, Borman's personal conflict between command and consensus could have made for fascinating reading. Unfortunately Borman refuses to assess honestly the groundbreaking accord or his role in it. Instead, his bitterness toward organized labor—while understandable to some—overwhelms everything else. If we are to believe *Countdown*, Borman saw the power-sharing deal as nothing more than a way to get Eastern's spoiled unions to take wage concessions. "Asking labor to restrain its insatiable appetite," says Borman in one of his—or Serling's—cornball similes, "would have been like asking the sun to rise in the west."

He denies the $100 million in employee cost-savings documented by the company controllers. And when the deal falls apart with the sale to Lorenzo, he leaves no doubt as to where to place the blame for all the company's problems: the unions, in particular the International Association of Machinists (IAM), who were always "raising unshirted hell." Though the Airline Pilots Association comes in for its share of criticism, Borman spares Eastern's pilots—with whom he clearly feels a special bond.

The final boardroom meeting, as slanted and factually suspect as some of it may be, makes for great corporate drama. With Lorenzo ready to buy, and the bankers ready to seize the company's assets, Borman and Eastern's unions stage a final battle. In *Countdown* the villain is Charlie Bryan, the president of the Eastern IAM. At two in the morning, after the pilots and the flight attendants take wage cuts to escape the union-slayer Lorenzo, Bryan refuses to do the same unless Borman resigns.

In the end, Borman lost command of his airline and the employees lost

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their stock and their power. It was a kind of double suicide for which there is plenty of blame to spread around: the pressures of deregulation, Eastern's weak financial condition, questionable management, the squabbling between Eastern's unions and their refusal—until it was too late—to grant the concessions the company needed to survive.

—*Alex Gibney*

Honest Graft: Big Money and the American Political Process. Brooks Jackson. *Knopf, $18.95.* A disclaimer: I am a long-time admirer of Brooks Jackson and, in my own writing, drew heavily from his work as an investigative reporter for *The Wall Street Journal*. So I approached Jackson's book with high expectations. He has not disappointed me.

Jackson was granted an exceptional insider's view by a remarkable agreement he reached with California's Rep. Tony Coelho, then chairman of the Democratic Congressional Campaign Committee, the DCCC. For reasons of his own, the ambitious Coelho permitted Jackson to sit in on all the committee's staff meetings and, even more extraordinary, to read all of the staff reports to Coelho. In addition, Coelho spent hours with Jackson, confiding to him and his tape recorder.

Jackson, usually a hard-bitten skeptic, betrays his admiration—even while recounting Coelho's questionable money-raising tactics and painting him as morally schizoid. He repeatedly calls Coelho a "would-be priest," referring to the lawmaker's early desire to enter the priesthood, an ambition thwarted by a teen-age car accident and the Catholic church's inscrutable rule barring men subject to epileptic seizures from the priesthood.

Yet as a young congressional aide in 1970, this "would-be priest" failed to report to federal prosecutors what Jackson terms a $500 "bribe attempt" by a lobbyist, because "he didn't want to stir a scandal." (Coelho did, however, return the $500.) Years later, as a congressman, the "would-be priest" also readily accepted a free ride in Philip Morris's jet aircraft, and finagled campaign contributions from business interests, occasionally in the most heavy-handed manner. In 1984, Coelho dispatched a letter to the Home Builders' chief lobbyist, soliciting campaign funds for New Jersey Rep. Joseph Minish, and reminded the lobbyist that Minish was the fourth highest member of the House Banking Committee, which handles subsidies worth billions to the home builders. Coelho's letter said that the hesitation of the builders' political action committee in making the $5,000 maximum allowable contribution to Minish "causes us to be concerned that the [good relationship the homebuilders have had with House Democrats] will be damaged." To underline its authority Coelho had the letter signed by the chairman of the banking committee, by Jim Wright, then Majority Leader, and, most important, by the Speaker of the House, Tip O'Neill.

The two Tony Coelhos reveal themselves most sharply in the contrast between his rhetoric and his actions about his goals for himself and the Democratic party. On page 19, Coelho grandly declares, "Unless you believe that the Democratic party can really help people change their lives and provide some hope, you don't understand. . . my drive [or] why I want to change things." Yet succeeding pages teem with tales about the single-minded intensity with which Coelho drove his party toward protectionist policies (wholly against its historic traditions) and into the arms of Big Business and rich, privileged givers. Exhibit A: Coelho's invention of the "Speaker's Club," boasting the enticements of a "round of golf with the Speaker" or cocktails with the Democratic members of the powerful Ways and Means Committee, which writes the tax laws. Price of admission to Coelho's club: $5,000 *a year*—hardly the kind of ticket the Average Voter can afford. Sic transit the party of Jefferson and Jackson.

The greater importance of Brooks Jackson's book lies in its dramatic exposition of Big Money's noxious impact on politics. In 1986, PACs gave 88 percent of their money to incumbents, with the result that they outspent challengers three to one. As Jackson has observed, that creates congressmen-for-life and, because the PACs shun challengers, protects all but the most assailable members of Congress from meaningful challenge. And even they have a better than average chance of surviving. Consider, for example, the last available pre-election figures on the 1988 money raised from PACs by six of the theoretically most vulnerable representatives, compared with the fundraising records of their 1988 opponents. The six are Ferdinand St. Germain of Rhode Island, as to whom a Justice Department probe found "substantial evidence of serious and sustained misconduct"; Democratic Reps. Bill Chappell of Florida and Roy Dyson of Maryland, both suspected of being implicated in the Pentagon procurement scandals; Pennsylvania Democrat Austin Murphy, who was reprimanded by the House in late 1987 for a series of ethics violations; Tennessee Democrat Marilyn Lloyd, who accepted speaking fees from 15 defense contractors, even though she is a member of the House Armed Services Committee; and California's Jim Bates, a Democrat, accused by members of his staff of sexual harassment.

Here's what each got from PACs: St. Germain raised $318,000 to his opponent's $11,000; Dyson had $364,000 to $0 for his challenger; Chappell had $334,000 vs. $25; Bates, $164,000 to $9,000; Lloyd, $286,000 to $28,000; and Murphy raised $101,000 to less than $5,000 raised by his opponent.

Four of the six retained their seats. Only St. Germain and Chappell were defeated, the latter by a margin so narrow that the final results were uncertain until fully three weeks after the election.

Not surprisingly, then, representatives get 60, 70 percent—or more—of their campaign funds from outside, special-interest political action committees, rather than from their own constituents. Rep. Dyson, for example, got 68 percent of his 1986 campaign money from outside PACs. Jackson observes that "increasingly House members [act] as ombudsmen not only for their constituents, but also for their donors," who form a "second constituency" not envisioned by the drafters of the Constitution. While voters continue to retain the ultimate power to defeat a candidate, Jackson says, *reaching* those voters requires ever-larger sums. So "donors

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gained importance at the expense of the electorate. This amounted to a de facto amendment to the Constitution."

One of Jackson's most important observations—all too rarely noted in the press—is that Big Money contributors can, and often do, buy something far more precious than lawmakers' votes: their intercession with a federal regulatory or administrative agency with whom a donor is experiencing trouble. At Tony Coelho's insistence, Jim Wright, then Majority Leader, came to the active aid of Thomas Gaubert, a Dallas multimillionaire and major player in the savings and loan industry and also, not coincidentally, a most generous contributor to the Democratic Congressional Campaign Committee. Gaubert, who had parlayed $1 million into control of a multi-billion-dollar S&L empire, was under constant investigation by the Home Loan Bank Board and, once, by a federal grand jury. At one point, Wright summoned Bank Board Chairman Edwin Gray to his office and said his friends were accusing Bank Board investigators of "Gestapo tactics," and to show he meant business, blocked a bill Gray was seeking to infuse $15 billion into the ailing S&L industry. Under such pressure, Gray acceded to an independent inquiry, which found Gaubert's principal claim groundless, but the probe did afford Gaubert time to win back temporary control of his principal S&L—until he found himself the subject of another criminal investigation by the FBI and the Justice Department.

If there is a significant flaw in Jackson's book, it lies in the title. The phrase, "honest graft," comes from George Washington Plunkitt, a turn-of-the-century Tammany Hall figure whose salty, cynical *realpolitik* epigraphs begin every chapter. Those epigraphs give the book an "Oh, well, what the hell; that's the way things work" tone that I find unfortunate, and probably unfair to Jackson, who has thought a great deal about, and cares deeply for, improving "the way things work."

—*Philip M. Stern*

Rainbow's End. Stephen P. Erie. *University of California Press, $27.50.*

The outsider supposes that the sachems of the national wing of the Democratic party, doomed as they are to at least another four years of grim exile from the White House, will seek not only sustenance from the pork of liberal programs hunted down by their skilled corps of congressional foragers and the roots and berries of state initiatives gathered by their governors, but wisdom as well from dispassionate soothsayers whose careful inspections of the past may inform their strategies for the future. After all, the presumably best braves of their tribe have been soundly clobbered three times in a row now, twice by the California medicine man and once by a fellow who acts and orates like an escapee from *Watership Down*. Surely it is time for them humbly to ascertain not only what they have done wrong, but, much more importantly, how to stop doing it.

The fashion in the immediate aftermath of Michael Dukakis's embarrassment last fall was to designate him as the principal if not the sole culprit in the November disaster, and thus have done with the matter. This is the Breaker Morant gambit, employed without notable success by British army commanders seeking to remove atrocious bloodstains of the Boer War from their escutcheons with the solvent of Australian blood. It is consoling—and accurate—to say that the Duke conducted his campaign with all the grace of a man falling out of a tree, but that neither explains how so uncoordinated a chap made it to his diving platform at the top of the party's tree in the first place, nor implies any reason for confidence that his successor at the pinnacle in 1992 will not prove equally inept. The issue is not whether Dukakis, or the Jimmy Carter of 1980, or the George McGovern of 1972, made the most of his opportunities, however great or small, but what fell fortune impels the dispensers of such opportunities to be so capriciously disdainful of political realities.

On the face of it, studies such as Steven Erie's contribution of Volume 15 to the California Series on Social Choice and Political Economy would seem worthy of study by the lonely and disconsolate now weary of the texts of all those Gideon Bibles they've been reading in Iowa farm-

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houses and New Hampshire motels since Jimmy Carter did his Cheshire cat routine in the 1980 rout. Subtitled "Irish-Americans and the Dilemmas of Urban Machine Politics, 1840-1985," Erie's work ought to be a helpful guide to the forlorn and dejected, dealing as it purports to with the evolution of the party into its palmiest days. The times have certainly changed since Mike Dukakis's parents came through the golden door from Greece, and our society has changed with them, but surely there are useful lessons to be gleaned from refreshing recollections of what worked before.

Well, most likely there are, but a fellow could throw his back out extracting them from this book. Professor Erie's thesis—he teaches political science at the University of California, San Diego—seems to be that the legends of how the Irish gained and exploited their political beachheads in America do not square with the facts. He will perhaps protest that what I am about to do to summarize and clarify his treatise amounts to an oversimplification so extreme as to amount to distortion, but, with all respect, one of us had to do it and he left all the work to me.

The myth as Erie sees it is that the Irish confabulated the Democratic party in the nineteenth century by the same means that the British employed to man their armies and navy: instead of conscripting able, fit recruits from all levels of society, they lured the mentally infirm and financially distressed from the oppressed lower classes into service with small bribes from the public purse. The fact as he perceives it is that the Irish became increasingly selective as their political ranks gradually gained power, padding the voting lists and stuffing ballot boxes only as much as absolutely necessary to maintain their monopolies of municipal and state control. Because the public treasuries of the cities and counties consisted chiefly of tax revenues collected from middle-class homeowners (the states, still administered by stubborn garrisons of "native"—i.e., Protestant—political opponents, kept their grip on what little commercial taxation there was), the new Irish bosses had to moderate the demands of their constituents lest they inflame passions for reform. So they contented themselves with creating large numbers of not-very-desirable jobs in order to acquire and maintain the loyalties of tractable voters from the lower middle class who would trade prospects of wealth for lifetime security, and they bought no more votes than they absolutely needed. Naturally they preferred their co-religionists when those precious jobs were distributed, and, logically if injudiciously, they therefore took small pains to reinforce their ranks with later arrivals speaking German, Hebrew, Polish, and Italian.

Acculturation and actuarial realities inexorably depleted the numbers of those docile enough to sit still for such treatment. The shift in tax-collection emphasis from local and county property revenues to state and federal personal and corporate income taxes delivered into non-Irish hands in state capitals and Washington the much-larger wads of cash needed to fund the national welfare class that local and county governments simply could not afford to support. The ductility of the taxpayer is variable, and influenced by a number of factors, but powerful among them is the inverse effect of the distance between him who pays and him who collects. A homeowner who sees his property tax double will scream bloody murder at his druggist, who happens to moonlight as a local tax assessor, and if he doesn't see tangible improvements in exchange for his tax money—more streetlights and better paving, with more cops and better teachers much in evidence—he will buy his aspirin elsewhere, and otherwise get even. But the person who earns income that he never even sees has no convenient scapegoat for any rage he feels and seldom thinks to hold his congressman accountable for the way the dough is spent.

The Depression that enabled FDR to complete the transfer of responsibility for public assistance—and thus the principal authority to commandeer and allocate the revenues to finance it—to Washington scuttled and sank local, county, and state political organizations that failed to please those in charge in Washington. FDR, as Erie in his most cogent sections points out, was absolutely ruthless in his designations of controllers of all the lovely money parceled out from Washington. Local and state leaders who delivered for him got hegemony over the administration of alphabet agencies spewing money and jobs into their fiefs; those who displeased him saw the dependent in their midst succored by bureaucrats in Washington. And that was another thing: even as the nationalization of assistance made political ethnocentricity a pitiably obsolete antique, so it engendered the vast bureaucratic army that overwhelmed and replaced the roving guerrilla bands that had ruled the precincts before.

I think Erie's finding can be fairly said to lead to the conclusion that what the Democratic party has since done to cobble up a national strategy patterned on the old local approach has failed precisely because what worked on the relatively personal level of municipal machine politics—individuation of problems and solutions—cannot work on the utterly impersonal level of nationally organized politics. Once the power ebbs from city hall and floods the Capitol, those needful of government assistance, or just greedily coveting it, have no choice but to organize into interest groups that press demands with media bullhorns. Since those groups, unlike merely pestiferous individual mendicants, have polling strength sufficient to frighten politicians, politicians who believe that they must be satisfied, just as the loners used to be, endeavor to placate all who stand and shout. Which leads, inexorably, to the budgetary behavior that has brought the country to the precipice of financial suicide: so long as no group may be offended, and all groups must be rewarded, the resources of the Treasury must be deemed infinite.

What Erie does not quite say, at least so far as I could tell, is that national elections such as 1988's strongly suggest that the national mutant of the nineteenth-century liberal local machine approach is now in its turn in decline. Michael Dukakis garnered the votes of only 23 percent of those eligible to mark ballots—46 percent of the half of the eligible voters who bothered to go to the polls. Something is seriously wrong, and it needs prompt attention.

It's just too bad that this is not a better book.

—George V. Higgins

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